

By: Bettencourt, et al.

S.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem taxation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. This Act may be cited as the Texas Property Tax Reform and Relief Act of 2017.

SECTION 2. Chapter 5, Tax Code, is amended by adding Section 5.01 to read as follows:

Sec. 5.01. PROPERTY TAX ADMINISTRATION ADVISORY BOARD.

(a) The comptroller shall appoint the property tax administration advisory board to advise the comptroller with respect to the division or divisions within the office of the comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts and local tax offices. The advisory board may make recommendations to the comptroller regarding improving the effectiveness and efficiency of the property tax system, best practices, and complaint resolution procedures.

(b) The advisory board is composed of at least six members appointed by the comptroller. The members of the board should include:

(1) representatives of property tax payers, appraisal districts, and school districts; and

(2) a person who has knowledge or experience in conducting ratio studies.

1 (c) The members of the advisory board serve at the pleasure
2 of the comptroller.

3 (d) Any advice to the comptroller relating to a matter
4 described by Subsection (a) that is provided by a member of the
5 advisory board must be provided at a meeting called by the
6 comptroller.

7 (e) Chapter 2110, Government Code, does not apply to the
8 advisory board.

9 SECTION 3. Section 5.05, Tax Code, is amended by adding
10 Subsection (c-1) to read as follows:

11 (c-1) An appraisal district shall appraise property in
12 accordance with any appraisal manuals prepared and issued by the
13 comptroller under this section.

14 SECTION 4. Sections 5.102(a) and (c), Tax Code, are amended
15 to read as follows:

16 (a) At least once every two years, the comptroller shall
17 review the governance of each appraisal district, taxpayer
18 assistance provided, and the operating and appraisal standards,
19 procedures, and methodology used by each appraisal district, to
20 determine compliance with generally accepted standards,
21 procedures, and methodology, including compliance with standards,
22 procedures, and methodology prescribed by appraisal manuals
23 prepared and issued by the comptroller. After consultation with
24 the property tax administration advisory board [~~committee created~~
25 ~~under Section 403.302, Government Code~~], the comptroller by rule
26 may establish procedures and standards for conducting and scoring
27 the review.

1 (c) At the conclusion of the review, the comptroller shall,
2 in writing, notify the appraisal district concerning its
3 performance in the review. If the review results in a finding that
4 an appraisal district is not in compliance with generally accepted
5 standards, procedures, and methodology, including compliance with
6 standards, procedures, and methodology prescribed by appraisal
7 manuals prepared and issued by the comptroller, the comptroller
8 shall deliver a report that details the comptroller's findings and
9 recommendations for improvement to:

10 (1) the appraisal district's chief appraiser and board
11 of directors; and

12 (2) the superintendent and board of trustees of each
13 school district participating in the appraisal district.

14 SECTION 5. Section 5.13(d), Tax Code, is amended to read as
15 follows:

16 (d) In conducting a general audit, the comptroller shall
17 consider and report on:

18 (1) the extent to which the district complies with
19 applicable law or generally accepted standards of appraisal or
20 other relevant practice, including appraisal standards and
21 practices prescribed by appraisal manuals prepared and issued by
22 the comptroller;

23 (2) the uniformity and level of appraisal of major
24 kinds of property and the cause of any significant deviations from
25 ideal uniformity and equality of appraisal of major kinds of
26 property;

27 (3) duplication of effort and efficiency of operation;

1 (4) the general efficiency, quality of service, and
2 qualification of appraisal district personnel; and

3 (5) except as otherwise provided by Subsection (b) [~~of~~
4 ~~this section~~], any other matter included in the request for the
5 audit.

6 SECTION 6. Section 6.035(a-1), Tax Code, is amended to read
7 as follows:

8 (a-1) An individual is ineligible to serve on an appraisal
9 district board of directors if the individual has engaged in the
10 business of appraising property for compensation for use in
11 proceedings under this title or of representing property owners for
12 compensation in proceedings under this title in the appraisal
13 district at any time during the preceding three [~~five~~] years.

14 SECTION 7. Section 6.15, Tax Code, is amended by adding
15 Subsection (c-1) to read as follows:

16 (c-1) Subsections (a) and (b) do not prohibit a member of
17 the board of directors of an appraisal district from transmitting
18 to the chief appraiser without comment a complaint by a property
19 owner or taxing unit about the appraisal of a specific property,
20 provided that the transmission is in writing.

21 SECTION 8. Section 6.41, Tax Code, is amended by amending
22 Subsections (b) and (d-9) and adding Subsections (b-1), (b-2), and
23 (d-10) to read as follows:

24 (b) Except as provided by Subsection (b-1) or (b-2), an
25 appraisal review [~~The~~] board consists of three members.

26 (b-1) An appraisal [~~However, the~~] district board of
27 directors by resolution of a majority of the board's [~~its~~] members

1 may increase the size of the district's appraisal review board to
2 the number of members the board of directors considers appropriate.

3 (b-2) An appraisal district board of directors for a
4 district established in a county described by Subsection (d-1) by
5 resolution of a majority of the board's members shall increase the
6 size of the district's appraisal review board to the number of
7 members the board of directors considers appropriate to manage the
8 duties of the appraisal review board, including the duties of each
9 special panel established under Section 6.425.

10 (d-9) In selecting individuals who are to serve as members
11 of the appraisal review board, the local administrative district
12 judge shall select an adequate number of qualified individuals to
13 permit the chairman of the appraisal review board to fill the
14 positions on each special panel established under Section 6.425.

15 (d-10) Upon selection of the individuals who are to serve as
16 members of the appraisal review board, the local administrative
17 district judge shall enter an appropriate order designating such
18 members and setting each member's respective term of office, as
19 provided elsewhere in this section.

20 SECTION 9. Section 6.414(d), Tax Code, is amended to read as
21 follows:

22 (d) An auxiliary board member may hear taxpayer protests
23 before the appraisal review board. An auxiliary board member may
24 not hear taxpayer protests before a special panel established under
25 Section 6.425 unless the member is eligible to be appointed to the
26 special panel. If one or more auxiliary board members sit on a
27 panel established under Section 6.425 or 41.45 to conduct a protest

1 hearing, the number of regular appraisal review board members
2 required by that section to constitute the panel is reduced by the
3 number of auxiliary board members sitting. An auxiliary board
4 member sitting on a panel is considered a regular board member for
5 all purposes related to the conduct of the hearing.

6 SECTION 10. Section 6.42, Tax Code, is amended by adding
7 Subsection (d) to read as follows:

8 (d) The concurrence of a majority of the members of the
9 appraisal review board or a panel of the board present at a meeting
10 of the board or panel is sufficient for a recommendation,
11 determination, decision, or other action by the board or panel, and
12 the concurrence of more than a majority of the members of the board
13 or panel may not be required.

14 SECTION 11. Subchapter C, Chapter 6, Tax Code, is amended by
15 adding Section 6.425 to read as follows:

16 Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN
17 CERTAIN DISTRICTS. (a) This section applies only to the appraisal
18 review board for an appraisal district described by Section
19 6.41(b-2).

20 (b) The appraisal review board shall establish a separate
21 special panel for each of the following classifications of property
22 to conduct protest hearings under Chapter 41 relating to property
23 included in that classification:

- 24 (1) commercial real and personal property;
25 (2) real and personal property of utilities;
26 (3) industrial and manufacturing real and personal
27 property; and

1 (4) multifamily residential real property.

2 (c) The chairman of the appraisal review board may establish
3 additional special panels described by this section to conduct
4 protest hearings relating to property included in a classification
5 described by Subsection (b) if the chairman determines that
6 additional panels are necessary.

7 (d) Each special panel described by this section consists of
8 three members of the appraisal review board appointed by the
9 chairman of the board.

10 (e) To be eligible to be appointed to a special panel
11 described by this section, a member of the appraisal review board
12 must:

13 (1) hold a juris doctor or equivalent degree;

14 (2) hold a master of business administration degree;

15 (3) be licensed as a certified public accountant under
16 Chapter 901, Occupations Code;

17 (4) be accredited by the American Society of
18 Appraisers as an accredited senior appraiser;

19 (5) possess an MAI professional designation from the
20 Appraisal Institute;

21 (6) possess a Certified Assessment Evaluator (CAE)
22 professional designation from the International Association of
23 Assessing Officers;

24 (7) have at least 20 years of experience in property
25 tax appraisal or consulting; or

26 (8) be licensed as a real estate broker or sales agent
27 under Chapter 1101, Occupations Code.

1 (f) Notwithstanding Subsection (e), the chairman of the
2 appraisal review board may appoint to a special panel described by
3 this section a member of the appraisal review board who does not
4 meet the qualifications prescribed by that subsection if:

5 (1) the number of persons appointed to the board by the
6 local administrative district judge who meet those qualifications
7 is not sufficient to fill the positions on each special panel; and

8 (2) the board member being appointed to the panel
9 holds a bachelor's degree in any field.

10 SECTION 12. Section 11.4391(a), Tax Code, is amended to
11 read as follows:

12 (a) The chief appraiser shall accept and approve or deny an
13 application for an exemption for freeport goods under Section
14 11.251 after the deadline for filing it has passed if it is filed
15 not later than June 1 [~~before the date the appraisal review board~~
16 ~~approves the appraisal records~~].

17 SECTION 13. Section 21.09(b), Tax Code, is amended to read
18 as follows:

19 (b) A person claiming an allocation must apply for the
20 allocation each year the person claims the allocation. A person
21 claiming an allocation must file a completed allocation application
22 form before April [~~May~~] 1 and must provide the information required
23 by the form. If the property was not on the appraisal roll in the
24 preceding year, the deadline for filing the allocation application
25 form is extended to the 30th [~~45th~~] day after the date of receipt of
26 the notice of appraised value required by Section 25.19(a)(3). For
27 good cause shown, the chief appraiser shall extend the deadline for

1 filing an allocation application form by written order for a period
2 not to exceed 30 [~~60~~] days.

3 SECTION 14. Section [22.23](#), Tax Code, is amended to read as
4 follows:

5 Sec. 22.23. FILING DATE. (a) Rendition statements and
6 property reports must be delivered to the chief appraiser after
7 January 1 and not later than April 1 [~~15~~], except as provided by
8 Section [22.02](#).

9 (b) On written request by the property owner, the chief
10 appraiser shall extend a deadline for filing a rendition statement
11 or property report to a date not later than May 1 [~~15~~]. The chief
12 appraiser may further extend the deadline an additional 15 days
13 upon good cause shown in writing by the property owner.

14 (c) Notwithstanding any other provision of this section,
15 rendition statements and property reports for property regulated by
16 the Public Utility Commission of Texas, the Railroad Commission of
17 Texas, the federal Surface Transportation Board, or the Federal
18 Energy Regulatory Commission must be delivered to the chief
19 appraiser not later than April 30, except as provided by Section
20 [22.02](#). The chief appraiser may extend the filing deadline 15 days
21 for good cause on written request by the property owner.

22 SECTION 15. Section [23.01](#)(b), Tax Code, is amended to read
23 as follows:

24 (b) The market value of property shall be determined by the
25 application of generally accepted appraisal methods and
26 techniques, including appraisal methods and techniques prescribed
27 by appraisal manuals prepared and issued by the comptroller. If the

1 appraisal district determines the appraised value of a property
2 using mass appraisal standards, the mass appraisal standards must
3 comply with the Uniform Standards of Professional Appraisal
4 Practice. The same or similar appraisal methods and techniques
5 shall be used in appraising the same or similar kinds of property.
6 However, each property shall be appraised based upon the individual
7 characteristics that affect the property's market value, and all
8 available evidence that is specific to the value of the property
9 shall be taken into account in determining the property's market
10 value.

11 SECTION 16. Section 25.19, Tax Code, is amended by amending
12 Subsections (a) and (g) and adding Subsection (b-3) to read as
13 follows:

14 (a) By April 15 [~~1~~] or as soon thereafter as practicable [~~if~~
15 ~~the property is a single-family residence that qualifies for an~~
16 ~~exemption under Section 11.13, or by May 1 or as soon thereafter as~~
17 ~~practicable in connection with any other property], the chief
18 appraiser shall deliver a clear and understandable written notice
19 to a property owner of the appraised value of the property owner's
20 property if:~~

21 (1) the appraised value of the property is greater
22 than it was in the preceding year;

23 (2) the appraised value of the property is greater
24 than the value rendered by the property owner;

25 (3) the property was not on the appraisal roll in the
26 preceding year; or

27 (4) an exemption or partial exemption approved for the

1 property for the preceding year was canceled or reduced for the
2 current year.

3 (b-3) This subsection applies only to an appraisal district
4 described by Section 6.41(b-2). In addition to the information
5 required by Subsection (b), the chief appraiser shall state in a
6 notice of appraised value of property included in a classification
7 described by Section 6.425(b) that the property owner has the right
8 to have a protest relating to the property heard by a special panel
9 of the appraisal review board.

10 (g) By April 15 [~~1~~] or as soon thereafter as practicable [~~if~~
11 ~~the property is a single-family residence that qualifies for an~~
12 ~~exemption under Section 11.13, or by May 1 or as soon thereafter as~~
13 ~~practicable in connection with any other property]~~, the chief
14 appraiser shall deliver a written notice to the owner of each
15 property not included in a notice required to be delivered under
16 Subsection (a), if the property was reappraised in the current tax
17 year, if the ownership of the property changed during the preceding
18 year, or if the property owner or the agent of a property owner
19 authorized under Section 1.111 makes a written request for the
20 notice. The chief appraiser shall separate real from personal
21 property and include in the notice for each property:

22 (1) the appraised value of the property in the
23 preceding year;

24 (2) the appraised value of the property for the
25 current year and the kind of each partial exemption, if any,
26 approved for the current year;

27 (3) a detailed explanation of the time and procedure

1 for protesting the value; and

2 (4) the date and place the appraisal review board will
3 begin hearing protests.

4 SECTION 17. Section 25.22(a), Tax Code, is amended to read
5 as follows:

6 (a) By May 1 [~~15~~] or as soon thereafter as practicable, the
7 chief appraiser shall submit the completed appraisal records to the
8 appraisal review board for review and determination of protests.
9 However, the chief appraiser may not submit the records until the
10 chief appraiser has delivered the notices required by Subsection
11 (d) of Section 11.45, Subsection (d) of Section 23.44, Subsection
12 (d) of Section 23.57, Subsection (d) of Section 23.79, Subsection
13 (d) of Section 23.85, Subsection (d) of Section 23.95, Subsection
14 (d) of Section 23.9805, and Section 25.19.

15 SECTION 18. Sections 26.01(a) and (e), Tax Code, are
16 amended to read as follows:

17 (a) By July 10 [~~25~~], the chief appraiser shall prepare and
18 certify to the assessor for each taxing unit participating in the
19 district that part of the appraisal roll for the district that lists
20 the property taxable by the unit. The part certified to the
21 assessor is the appraisal roll for the unit. The chief appraiser
22 shall consult with the assessor for each taxing unit and notify each
23 unit in writing by April 1 of the form in which the roll will be
24 provided to each unit.

25 (e) Except as provided by Subsection (f), not later than May
26 15 [~~April 30~~], the chief appraiser shall prepare and certify to the
27 assessor for each county, municipality, and school district

1 participating in the appraisal district an estimate of the taxable
2 value of property in that taxing unit. The chief appraiser shall
3 assist each county, municipality, and school district in
4 determining values of property in that taxing unit for the taxing
5 unit's budgetary purposes.

6 SECTION 19. Section 26.012(9), Tax Code, is redesignated as
7 Section 26.012(18), Tax Code, and amended to read as follows:

8 (18) "No-new-taxes [~~(9)~~ "~~Effective~~] maintenance and
9 operations rate" means a rate expressed in dollars per \$100 of
10 taxable value and calculated according to the following formula:

11 NO-NEW-TAXES [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS
12 RATE = (LAST YEAR'S LEVY - LAST YEAR'S DEBT LEVY - LAST
13 YEAR'S JUNIOR COLLEGE LEVY) / (CURRENT TOTAL VALUE -
14 NEW PROPERTY VALUE)

15 SECTION 20. The heading to Section 26.04, Tax Code, is
16 amended to read as follows:

17 Sec. 26.04. SUBMISSION OF ROLL TO GOVERNING BODY;
18 NO-NEW-TAXES [~~EFFECTIVE~~] AND ROLLBACK TAX RATES.

19 SECTION 21. Section 26.04, Tax Code, is amended by amending
20 Subsections (b), (c), (d), (e), (e-1), (f), (i), and (j) and adding
21 Subsections (c-1), (d-1), (d-2), (d-3), and (h-1) to read as
22 follows:

23 (b) The assessor shall submit the appraisal roll for the
24 unit showing the total appraised, assessed, and taxable values of
25 all property and the total taxable value of new property to the
26 governing body of the unit by July 15 [~~August 1~~] or as soon
27 thereafter as practicable. By July 15 [~~August 1~~] or as soon

1 thereafter as practicable, the taxing unit's collector shall
 2 certify [~~an estimate of~~] the anticipated collection rate for the
 3 current year to the governing body. If the collector certified an
 4 anticipated collection rate in the preceding year and the actual
 5 collection rate in that year exceeded the anticipated rate, the
 6 collector shall also certify the amount of debt taxes collected in
 7 excess of the anticipated amount in the preceding year.

8 (c) An officer or employee designated by the governing body
 9 shall calculate the no-new-taxes [~~effective~~] tax rate and the
 10 rollback tax rate for the unit, where:

11 (1) "No-new-taxes [~~Effective~~] tax rate" means a rate
 12 expressed in dollars per \$100 of taxable value calculated according
 13 to the following formula:

14 NO-NEW-TAXES [~~EFFECTIVE~~] TAX RATE = (LAST YEAR'S LEVY -
 15 LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW
 16 PROPERTY VALUE)

17 ; and

18 (2) "Rollback tax rate" means a rate expressed in
 19 dollars per \$100 of taxable value calculated according to the
 20 following formula:

21 ROLLBACK TAX RATE = (NO-NEW-TAXES [~~EFFECTIVE~~]
 22 MAINTENANCE AND OPERATIONS RATE x 1.05 [~~1.08~~]) +
 23 CURRENT DEBT RATE

24 (c-1) Notwithstanding any other provision of this section,
 25 the governing body may direct the designated officer or employee to
 26 substitute "1.08" for "1.05" in the calculation of the rollback tax
 27 rate if any part of the taxing unit is located in an area declared a

1 disaster area during the current tax year by the governor or by the
2 president of the United States.

3 (d) The no-new-taxes [~~effective~~] tax rate for a county is
4 the sum of the no-new-taxes [~~effective~~] tax rates calculated for
5 each type of tax the county levies, and the rollback tax rate for a
6 county is the sum of the rollback tax rates calculated for each type
7 of tax the county levies.

8 (d-1) As soon as practicable after the designated officer or
9 employee calculates the no-new-taxes tax rate and the rollback tax
10 rate for the taxing unit, the designated officer or employee shall
11 submit the worksheets used in calculating the rates to the county
12 assessor-collector for each county in which the unit is located.
13 The county assessor-collector or an employee designated by the
14 county assessor-collector shall determine whether the values used
15 in the calculation of those tax rates are the same as the values
16 shown in the unit's appraisal roll and the tax rates have otherwise
17 been calculated correctly. If the county assessor-collector or
18 designated employee makes such a determination, the county
19 assessor-collector shall:

20 (1) execute a written certification to that effect,
21 attach the certification to each worksheet, and submit the
22 worksheets to the governing body of the unit; and

23 (2) notify the unit's designated officer or employee
24 of the submission of the worksheets with the attached
25 certifications to the governing body.

26 (d-2) The designated officer or employee of the taxing unit
27 may not submit the no-new-taxes tax rate and the rollback tax rate

1 to the governing body of the unit and the governing body of the unit
2 may not adopt a tax rate until the county assessor-collector for
3 each county in which the unit is located submits to the governing
4 body of the unit the worksheets used to calculate each tax rate with
5 the certification described by Subsection (d-1) attached.

6 (d-3) The comptroller shall adopt rules governing the form
7 of the certification described by Subsection (d-1) and the manner
8 in which the worksheets with the attached certifications are
9 required to be submitted to the governing body of the taxing unit.

10 (e) By July 22 [~~August 7~~] or as soon thereafter as
11 practicable, the designated officer or employee shall submit the
12 rates to the governing body. By July 27, the designated officer or
13 employee [~~He~~] shall deliver by mail to each property owner in the
14 unit or publish in a newspaper in the form prescribed by the
15 comptroller:

16 (1) the no-new-taxes [~~effective~~] tax rate, the
17 rollback tax rate, and an explanation of how they were calculated;

18 (2) the estimated amount of interest and sinking fund
19 balances and the estimated amount of maintenance and operation or
20 general fund balances remaining at the end of the current fiscal
21 year that are not encumbered with or by corresponding existing debt
22 obligation;

23 (3) a schedule of the unit's debt obligations showing:
24 (A) the amount of principal and interest that
25 will be paid to service the unit's debts in the next year from
26 property tax revenue, including payments of lawfully incurred
27 contractual obligations providing security for the payment of the

1 principal of and interest on bonds and other evidences of
2 indebtedness issued on behalf of the unit by another political
3 subdivision and, if the unit is created under Section 52, Article
4 III, or Section 59, Article XVI, Texas Constitution, payments on
5 debts that the unit anticipates to incur in the next calendar year;

6 (B) the amount by which taxes imposed for debt
7 are to be increased because of the unit's anticipated collection
8 rate; and

9 (C) the total of the amounts listed in Paragraphs
10 (A)-(B), less any amount collected in excess of the previous year's
11 anticipated collections certified as provided in Subsection (b);

12 (4) the amount of additional sales and use tax revenue
13 anticipated in calculations under Section 26.041;

14 (5) a statement that the adoption of a tax rate equal
15 to the no-new-taxes [~~effective~~] tax rate would result in an
16 increase or decrease, as applicable, in the amount of taxes imposed
17 by the unit as compared to last year's levy, and the amount of the
18 increase or decrease;

19 (6) in the year that a taxing unit calculates an
20 adjustment under Subsection (i) or (j), a schedule that includes
21 the following elements:

22 (A) the name of the unit discontinuing the
23 department, function, or activity;

24 (B) the amount of property tax revenue spent by
25 the unit listed under Paragraph (A) to operate the discontinued
26 department, function, or activity in the 12 months preceding the
27 month in which the calculations required by this chapter are made;

1 and

2 (C) the name of the unit that operates a distinct
3 department, function, or activity in all or a majority of the
4 territory of a taxing unit that has discontinued operating the
5 distinct department, function, or activity; and

6 (7) in the year following the year in which a taxing
7 unit raised its rollback tax rate as required by Subsection (j), a
8 schedule that includes the following elements:

9 (A) the amount of property tax revenue spent by
10 the unit to operate the department, function, or activity for which
11 the taxing unit raised the rollback tax rate as required by
12 Subsection (j) for the 12 months preceding the month in which the
13 calculations required by this chapter are made; and

14 (B) the amount published by the unit in the
15 preceding tax year under Subdivision (6)(B).

16 (e-1) The tax rate certification requirements imposed by
17 Subsections (d-1) and (d-2) and the notice requirements imposed by
18 Subsections (e)(1)-(6) do not apply to a school district.

19 (f) If as a result of consolidation of taxing units a taxing
20 unit includes territory that was in two or more taxing units in the
21 preceding year, the amount of taxes imposed in each in the preceding
22 year is combined for purposes of calculating the no-new-taxes
23 ~~[effective]~~ and rollback tax rates under this section.

24 (h-1) Notwithstanding Subsection (h), the assessor may not
25 certify an anticipated collection rate under Subsection (b) that is
26 lower than the lowest actual collection rate in the preceding three
27 years.

1 (i) This subsection applies to a taxing unit that has agreed
2 by written contract to transfer a distinct department, function, or
3 activity to another taxing unit and discontinues operating that
4 distinct department, function, or activity if the operation of that
5 department, function, or activity in all or a majority of the
6 territory of the taxing unit is continued by another existing
7 taxing unit or by a new taxing unit. The rollback tax rate of a
8 taxing unit to which this subsection applies in the first tax year
9 in which a budget is adopted that does not allocate revenue to the
10 discontinued department, function, or activity is calculated as
11 otherwise provided by this section, except that last year's levy
12 used to calculate the no-new-taxes [~~effective~~] maintenance and
13 operations rate of the unit is reduced by the amount of maintenance
14 and operations tax revenue spent by the taxing unit to operate the
15 department, function, or activity for the 12 months preceding the
16 month in which the calculations required by this chapter are made
17 and in which the unit operated the discontinued department,
18 function, or activity. If the unit did not operate that department,
19 function, or activity for the full 12 months preceding the month in
20 which the calculations required by this chapter are made, the unit
21 shall reduce last year's levy used for calculating the no-new-taxes
22 [~~effective~~] maintenance and operations rate of the unit by the
23 amount of the revenue spent in the last full fiscal year in which
24 the unit operated the discontinued department, function, or
25 activity.

26 (j) This subsection applies to a taxing unit that had agreed
27 by written contract to accept the transfer of a distinct

1 department, function, or activity from another taxing unit and
2 operates a distinct department, function, or activity if the
3 operation of a substantially similar department, function, or
4 activity in all or a majority of the territory of the taxing unit
5 has been discontinued by another taxing unit, including a dissolved
6 taxing unit. The rollback tax rate of a taxing unit to which this
7 subsection applies in the first tax year after the other taxing unit
8 discontinued the substantially similar department, function, or
9 activity in which a budget is adopted that allocates revenue to the
10 department, function, or activity is calculated as otherwise
11 provided by this section, except that last year's levy used to
12 calculate the no-new-taxes [~~effective~~] maintenance and operations
13 rate of the unit is increased by the amount of maintenance and
14 operations tax revenue spent by the taxing unit that discontinued
15 operating the substantially similar department, function, or
16 activity to operate that department, function, or activity for the
17 12 months preceding the month in which the calculations required by
18 this chapter are made and in which the unit operated the
19 discontinued department, function, or activity. If the unit did
20 not operate the discontinued department, function, or activity for
21 the full 12 months preceding the month in which the calculations
22 required by this chapter are made, the unit may increase last year's
23 levy used to calculate the no-new-taxes [~~effective~~] maintenance and
24 operations rate by an amount not to exceed the amount of property
25 tax revenue spent by the discontinuing unit to operate the
26 discontinued department, function, or activity in the last full
27 fiscal year in which the discontinuing unit operated the

1 department, function, or activity.

2 SECTION 22. Section 26.041, Tax Code, is amended by
3 amending Subsections (a), (b), (c), (e), (g), and (h) and adding
4 Subsection (c-1) to read as follows:

5 (a) In the first year in which an additional sales and use
6 tax is required to be collected, the no-new-taxes [~~effective~~] tax
7 rate and rollback tax rate for the unit are calculated according to
8 the following formulas:

9 NO-NEW-TAXES [~~EFFECTIVE~~] TAX RATE = [(LAST YEAR'S LEVY
10 - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW
11 PROPERTY VALUE)] - SALES TAX GAIN RATE

12 and

13 ROLLBACK TAX RATE = (NO-NEW-TAXES [~~EFFECTIVE~~]
14 MAINTENANCE AND OPERATIONS RATE x 1.05 [~~1.08~~]) +
15 CURRENT DEBT RATE - SALES TAX GAIN RATE

16 where "sales tax gain rate" means a number expressed in dollars per
17 \$100 of taxable value, calculated by dividing the revenue that will
18 be generated by the additional sales and use tax in the following
19 year as calculated under Subsection (d) [~~of this section~~] by the
20 current total value.

21 (b) Except as provided by Subsections (a) and (c) [~~of this~~
22 ~~section~~], in a year in which a taxing unit imposes an additional
23 sales and use tax the rollback tax rate for the unit is calculated
24 according to the following formula, regardless of whether the unit
25 levied a property tax in the preceding year:

26 ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND
27 OPERATIONS EXPENSE x 1.05 [~~1.08~~]) / ([TOTAL] CURRENT

1 TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE
 2 - SALES TAX REVENUE RATE)

3 where "last year's maintenance and operations expense" means the
 4 amount spent for maintenance and operations from property tax and
 5 additional sales and use tax revenues in the preceding year, and
 6 "sales tax revenue rate" means a number expressed in dollars per
 7 \$100 of taxable value, calculated by dividing the revenue that will
 8 be generated by the additional sales and use tax in the current year
 9 as calculated under Subsection (d) [~~of this section~~] by the current
 10 total value.

11 (c) In a year in which a taxing unit that has been imposing
 12 an additional sales and use tax ceases to impose an additional sales
 13 and use tax the no-new-taxes [~~effective~~] tax rate and rollback tax
 14 rate for the unit are calculated according to the following
 15 formulas:

16 NO-NEW-TAXES [~~EFFECTIVE~~] TAX RATE = [(LAST YEAR'S LEVY
 17 - LOST PROPERTY LEVY) / (CURRENT TOTAL VALUE - NEW
 18 PROPERTY VALUE)] + SALES TAX LOSS RATE

19 and

20 ROLLBACK TAX RATE = [(LAST YEAR'S MAINTENANCE AND
 21 OPERATIONS EXPENSE x 1.05 [~~1.08~~]) / (~~[TOTAL]~~ CURRENT
 22 TOTAL VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

23 where "sales tax loss rate" means a number expressed in dollars per
 24 \$100 of taxable value, calculated by dividing the amount of sales
 25 and use tax revenue generated in the last four quarters for which
 26 the information is available by the current total value and "last
 27 year's maintenance and operations expense" means the amount spent

1 for maintenance and operations from property tax and additional
2 sales and use tax revenues in the preceding year.

3 (c-1) Notwithstanding any other provision of this section,
4 the governing body may direct the designated officer or employee to
5 substitute "1.08" for "1.05" in the calculation of the rollback tax
6 rate if any part of the taxing unit is located in an area declared a
7 disaster area during the current tax year by the governor or by the
8 president of the United States.

9 (e) If a city that imposes an additional sales and use tax
10 receives payments under the terms of a contract executed before
11 January 1, 1986, in which the city agrees not to annex certain
12 property or a certain area and the owners or lessees of the property
13 or of property in the area agree to pay at least annually to the city
14 an amount determined by reference to all or a percentage of the
15 property tax rate of the city and all or a part of the value of the
16 property subject to the agreement or included in the area subject to
17 the agreement, the governing body, by order adopted by a majority
18 vote of the governing body, may direct the designated officer or
19 employee to add to the no-new-taxes [~~effective~~] and rollback tax
20 rates the amount that, when applied to the total taxable value
21 submitted to the governing body, would produce an amount of taxes
22 equal to the difference between the total amount of payments for the
23 tax year under contracts described by this subsection under the
24 rollback tax rate calculated under this section and the total
25 amount of payments for the tax year that would have been obligated
26 to the city if the city had not adopted an additional sales and use
27 tax.

1 (g) If the rate of the additional sales and use tax is
2 increased, the designated officer or employee shall make two
3 projections, in the manner provided by Subsection (d) [~~of this~~
4 ~~section~~], of the revenue generated by the additional sales and use
5 tax in the following year. The first projection must take into
6 account the increase and the second projection must not take into
7 account the increase. The officer or employee shall then subtract
8 the amount of the result of the second projection from the amount of
9 the result of the first projection to determine the revenue
10 generated as a result of the increase in the additional sales and
11 use tax. In the first year in which an additional sales and use tax
12 is increased, the no-new-taxes [~~effective~~] tax rate for the unit is
13 the no-new-taxes [~~effective~~] tax rate before the increase minus a
14 number the numerator of which is the revenue generated as a result
15 of the increase in the additional sales and use tax, as determined
16 under this subsection, and the denominator of which is the current
17 total value minus the new property value.

18 (h) If the rate of the additional sales and use tax is
19 decreased, the designated officer or employee shall make two
20 projections, in the manner provided by Subsection (d) [~~of this~~
21 ~~section~~], of the revenue generated by the additional sales and use
22 tax in the following year. The first projection must take into
23 account the decrease and the second projection must not take into
24 account the decrease. The officer or employee shall then subtract
25 the amount of the result of the first projection from the amount of
26 the result of the second projection to determine the revenue lost as
27 a result of the decrease in the additional sales and use tax. In the

1 first year in which an additional sales and use tax is decreased,
2 the no-new-taxes [~~effective~~] tax rate for the unit is the
3 no-new-taxes [~~effective~~] tax rate before the decrease plus a number
4 the numerator of which is the revenue lost as a result of the
5 decrease in the additional sales and use tax, as determined under
6 this subsection, and the denominator of which is the current total
7 value minus the new property value.

8 SECTION 23. The heading to Section 26.043, Tax Code, is
9 amended to read as follows:

10 Sec. 26.043. ROLLBACK AND NO-NEW-TAXES [~~EFFECTIVE~~] TAX
11 RATES [~~RATE~~] IN CITY IMPOSING MASS TRANSIT SALES AND USE TAX.

12 SECTION 24. Sections 26.043(a) and (b), Tax Code, are
13 amended to read as follows:

14 (a) In the tax year in which a city has set an election on
15 the question of whether to impose a local sales and use tax under
16 Subchapter H, Chapter 453, Transportation Code, the officer or
17 employee designated to make the calculations provided by Section
18 26.04 may not make those calculations until the outcome of the
19 election is determined. If the election is determined in favor of
20 the imposition of the tax, the representative shall subtract from
21 the city's rollback and no-new-taxes [~~effective~~] tax rates the
22 amount that, if applied to the city's current total value, would
23 impose an amount equal to the amount of property taxes budgeted in
24 the current tax year to pay for expenses related to mass transit
25 services.

26 (b) In a tax year to which this section applies, a reference
27 in this chapter to the city's no-new-taxes [~~effective~~] or rollback

1 tax rate refers to that rate as adjusted under this section.

2 SECTION 25. The heading to Section 26.044, Tax Code, is
3 amended to read as follows:

4 Sec. 26.044. NO-NEW-TAXES [~~EFFECTIVE~~] TAX RATE TO PAY FOR
5 STATE CRIMINAL JUSTICE MANDATE.

6 SECTION 26. Sections 26.044(a), (b), and (c), Tax Code, are
7 amended to read as follows:

8 (a) The first time that a county adopts a tax rate after
9 September 1, 1991, in which the state criminal justice mandate
10 applies to the county, the no-new-taxes [~~effective~~] maintenance and
11 operation rate for the county is increased by the rate calculated
12 according to the following formula:

13 (State Criminal Justice Mandate) / (Current Total
14 Value - New Property Value)

15 (b) In the second and subsequent years that a county adopts
16 a tax rate, if the amount spent by the county for the state criminal
17 justice mandate increased over the previous year, the no-new-taxes
18 [~~effective~~] maintenance and operation rate for the county is
19 increased by the rate calculated according to the following
20 formula:

21 (This Year's State Criminal Justice Mandate - Previous
22 Year's State Criminal Justice Mandate) / (Current
23 Total Value - New Property Value)

24 (c) The county shall include a notice of the increase in the
25 no-new-taxes [~~effective~~] maintenance and operation rate provided
26 by this section, including a description and amount of the state
27 criminal justice mandate, in the information published under

1 Section 26.04(e) and Section 26.06(b) [~~of this code~~].

2 SECTION 27. Sections 26.0441(a), (b), and (c), Tax Code,
3 are amended to read as follows:

4 (a) In the first tax year in which a taxing unit adopts a tax
5 rate after January 1, 2000, and in which the enhanced minimum
6 eligibility standards for indigent health care established under
7 Section 61.006, Health and Safety Code, apply to the taxing unit,
8 the no-new-taxes [~~effective~~] maintenance and operations rate for
9 the taxing unit is increased by the rate computed according to the
10 following formula:

11 Amount of Increase = Enhanced Indigent Health Care
12 Expenditures / (Current Total Value - New Property
13 Value)

14 (b) In each subsequent tax year, if the taxing unit's
15 enhanced indigent health care expenses exceed the amount of those
16 expenses for the preceding year, the no-new-taxes [~~effective~~]
17 maintenance and operations rate for the taxing unit is increased by
18 the rate computed according to the following formula:

19 Amount of Increase = (Current Tax Year's Enhanced
20 Indigent Health Care Expenditures - Preceding Tax
21 Year's Indigent Health Care Expenditures) / (Current
22 Total Value - New Property Value)

23 (c) The taxing unit shall include a notice of the increase
24 in its no-new-taxes [~~effective~~] maintenance and operations rate
25 provided by this section, including a brief description and the
26 amount of the enhanced indigent health care expenditures, in the
27 information published under Section 26.04(e) and, if applicable,

1 Section 26.06(b).

2 SECTION 28. Section 26.05, Tax Code, is amended by amending
3 Subsections (a), (b), (c), (d), and (g) and adding Subsection (e-1)
4 to read as follows:

5 (a) The governing body of each taxing unit[~~, before the~~
6 ~~later of September 30 or the 60th day after the date the certified~~
7 ~~appraisal roll is received by the taxing unit,~~] shall adopt a tax
8 rate for the current tax year and shall notify the assessor for the
9 unit of the rate adopted. The governing body must adopt a tax rate
10 before the later of September 30 or the 60th day after the date the
11 certified appraisal roll is received by the taxing unit, except
12 that the governing body must adopt a tax rate that exceeds the
13 rollback tax rate before August 15. The tax rate consists of two
14 components, each of which must be approved separately. The
15 components are:

16 (1) for a taxing unit other than a school district, the
17 rate that, if applied to the total taxable value, will impose the
18 total amount published under Section 26.04(e)(3)(C), less any
19 amount of additional sales and use tax revenue that will be used to
20 pay debt service, or, for a school district, the rate calculated
21 under Section 44.004(c)(5)(A)(ii)(b), Education Code; and

22 (2) the rate that, if applied to the total taxable
23 value, will impose the amount of taxes needed to fund maintenance
24 and operation expenditures of the unit for the next year.

25 (b) A taxing unit may not impose property taxes in any year
26 until the governing body has adopted a tax rate for that year, and
27 the annual tax rate must be set by ordinance, resolution, or order,

1 depending on the method prescribed by law for adoption of a law by
2 the governing body. The vote on the ordinance, resolution, or order
3 setting the tax rate must be separate from the vote adopting the
4 budget. For a taxing unit other than a school district, the vote on
5 the ordinance, resolution, or order setting a tax rate that exceeds
6 the no-new-taxes [~~effective~~] tax rate must be a record vote, and at
7 least 60 percent of the members of the governing body must vote in
8 favor of the ordinance, resolution, or order. For a school
9 district, the vote on the ordinance, resolution, or order setting a
10 tax rate that exceeds the sum of the no-new-taxes [~~effective~~]
11 maintenance and operations tax rate of the district as determined
12 under Section 26.08(i) and the district's current debt rate must be
13 a record vote, and at least 60 percent of the members of the
14 governing body must vote in favor of the ordinance, resolution, or
15 order. A motion to adopt an ordinance, resolution, or order setting
16 a tax rate that exceeds the no-new-taxes [~~effective~~] tax rate must
17 be made in the following form: "I move that the property tax rate be
18 increased by the adoption of a tax rate of (specify tax rate), which
19 is effectively a (insert percentage by which the proposed tax rate
20 exceeds the no-new-taxes [~~effective~~] tax rate) percent increase in
21 the tax rate." If the ordinance, resolution, or order sets a tax
22 rate that, if applied to the total taxable value, will impose an
23 amount of taxes to fund maintenance and operation expenditures of
24 the taxing unit that exceeds the amount of taxes imposed for that
25 purpose in the preceding year, the taxing unit must:

26 (1) include in the ordinance, resolution, or order in
27 type larger than the type used in any other portion of the document:

1 (A) the following statement: "THIS TAX RATE WILL
2 RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S
3 TAX RATE."; and

4 (B) if the tax rate exceeds the no-new-taxes
5 [~~effective~~] maintenance and operations rate, the following
6 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT
7 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-TAXES
8 [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE
9 TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY
10 APPROXIMATELY \$(Insert amount)."; and

11 (2) include on the home page of any Internet website
12 operated by the unit:

13 (A) the following statement: "(Insert name of
14 unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE
15 AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

16 (B) if the tax rate exceeds the no-new-taxes
17 [~~effective~~] maintenance and operations rate, the following
18 statement: "THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT
19 PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE NO-NEW-TAXES
20 [~~EFFECTIVE~~] MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE
21 TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY
22 APPROXIMATELY \$(Insert amount)."

23 (c) If the governing body of a taxing unit does not adopt a
24 tax rate before the date required by Subsection (a), the tax rate
25 for the taxing unit for that tax year is the lower of the
26 no-new-taxes [~~effective~~] tax rate calculated for that tax year or
27 the tax rate adopted by the taxing unit for the preceding tax year.

1 A tax rate established by this subsection is treated as an adopted
2 tax rate. Before the fifth day after the establishment of a tax
3 rate by this subsection, the governing body of the taxing unit must
4 ratify the applicable tax rate in the manner required by Subsection
5 (b).

6 (d) The governing body of a taxing unit other than a school
7 district may not adopt a tax rate that exceeds the lower of the
8 rollback tax rate or the no-new-taxes [~~effective~~] tax rate
9 calculated as provided by this chapter until the governing body has
10 held two public hearings on the proposed tax rate and has otherwise
11 complied with Section 26.06 and Section 26.065. The governing body
12 of a taxing unit shall reduce a tax rate set by law or by vote of the
13 electorate to the lower of the rollback tax rate or the no-new-taxes
14 [~~effective~~] tax rate and may not adopt a higher rate unless it first
15 complies with Section 26.06.

16 (e-1) The governing body of a taxing unit that imposes an
17 additional sales and use tax may not adopt the component of the tax
18 rate of the unit described by Subsection (a)(1) of this section
19 until the chief financial officer or the auditor for the unit
20 submits to the governing body of the unit a written certification
21 that the amount of additional sales and use tax revenue that will be
22 used to pay debt service has been deducted from the total amount
23 published under Section 26.04(e)(3)(C) as required by Subsection
24 (a)(1) of this section. The comptroller shall adopt rules
25 governing the form of the certification required by this subsection
26 and the manner in which it is required to be submitted.

27 (g) Notwithstanding Subsection (a), the governing body of a

1 school district that elects to adopt a tax rate before the adoption
2 of a budget for the fiscal year that begins in the current tax year
3 may adopt a tax rate for the current tax year before receipt of the
4 certified appraisal roll for the school district if the chief
5 appraiser of the appraisal district in which the school district
6 participates has certified to the assessor for the school district
7 an estimate of the taxable value of property in the school district
8 as provided by Section 26.01(e). If a school district adopts a tax
9 rate under this subsection, the no-new-taxes [~~effective~~] tax rate
10 and the rollback tax rate of the district shall be calculated based
11 on the certified estimate of taxable value.

12 SECTION 29. Section 26.052(e), Tax Code, is amended to read
13 as follows:

14 (e) Public notice provided under Subsection (c) must
15 specify:

16 (1) the tax rate that the governing body proposes to
17 adopt;

18 (2) the date, time, and location of the meeting of the
19 governing body of the taxing unit at which the governing body will
20 consider adopting the proposed tax rate; and

21 (3) if the proposed tax rate for the taxing unit
22 exceeds the unit's no-new-taxes [~~effective~~] tax rate calculated as
23 provided by Section 26.04, a statement substantially identical to
24 the following: "The proposed tax rate is a tax increase and would
25 increase total taxes in (name of taxing unit) by (percentage by
26 which the proposed tax rate exceeds the no-new-taxes [~~effective~~]
27 tax rate)."

1 SECTION 30. Section 26.06, Tax Code, is amended by amending
2 Subsections (b), (d), and (e) and adding Subsections (b-1), (b-2),
3 (b-3), and (b-4) to read as follows:

4 (b) The notice of a public hearing may not be smaller than
5 one-quarter page of a standard-size or a tabloid-size newspaper,
6 and the headline on the notice must be in 24-point or larger type.

7 ~~[The notice must contain a statement in the following form:~~

8 ~~["NOTICE OF PUBLIC HEARING ON TAX INCREASE~~

9 ~~["The (name of the taxing unit) will hold two public hearings~~
10 ~~on a proposal to increase total tax revenues from properties on the~~
11 ~~tax roll in the preceding tax year by (percentage by which proposed~~
12 ~~tax rate exceeds lower of rollback tax rate or effective tax rate~~
13 ~~calculated under this chapter) percent. Your individual taxes may~~
14 ~~increase at a greater or lesser rate, or even decrease, depending on~~
15 ~~the change in the taxable value of your property in relation to the~~
16 ~~change in taxable value of all other property and the tax rate that~~
17 ~~is adopted.~~

18 ~~["The first public hearing will be held on (date and time) at~~
19 ~~(meeting place).~~

20 ~~["The second public hearing will be held on (date and time) at~~
21 ~~(meeting place).~~

22 ~~["(Names of all members of the governing body, showing how~~
23 ~~each voted on the proposal to consider the tax increase or, if one~~
24 ~~or more were absent, indicating the absences.)~~

25 ~~["The average taxable value of a residence homestead in (name~~
26 ~~of taxing unit) last year was \$_____ (average taxable value of a~~
27 ~~residence homestead in the taxing unit for the preceding tax year,~~

1 ~~disregarding residence homestead exemptions available only to~~
2 ~~disabled persons or persons 65 years of age or older). Based on~~
3 ~~last year's tax rate of \$_____ (preceding year's adopted tax rate)~~
4 ~~per \$100 of taxable value, the amount of taxes imposed last year on~~
5 ~~the average home was \$_____ (tax on average taxable value of a~~
6 ~~residence homestead in the taxing unit for the preceding tax year,~~
7 ~~disregarding residence homestead exemptions available only to~~
8 ~~disabled persons or persons 65 years of age or older).~~

9 ~~["The average taxable value of a residence homestead in (name~~
10 ~~of taxing unit) this year is \$_____ (average taxable value of a~~
11 ~~residence homestead in the taxing unit for the current tax year,~~
12 ~~disregarding residence homestead exemptions available only to~~
13 ~~disabled persons or persons 65 years of age or older). If the~~
14 ~~governing body adopts the effective tax rate for this year of \$_____~~
15 ~~(effective tax rate) per \$100 of taxable value, the amount of taxes~~
16 ~~imposed this year on the average home would be \$_____ (tax on average~~
17 ~~taxable value of a residence homestead in the taxing unit for the~~
18 ~~current tax year, disregarding residence homestead exemptions~~
19 ~~available only to disabled persons or persons 65 years of age or~~
20 ~~older).~~

21 ~~["If the governing body adopts the proposed tax rate of \$_____~~
22 ~~(proposed tax rate) per \$100 of taxable value, the amount of taxes~~
23 ~~imposed this year on the average home would be \$_____ (tax on the~~
24 ~~average taxable value of a residence in the taxing unit for the~~
25 ~~current year disregarding residence homestead exemptions available~~
26 ~~only to disabled persons or persons 65 years of age or older).~~

27 ~~["Members of the public are encouraged to attend the hearings~~

1 ~~and express their views."]~~

2 (b-1) If the proposed tax rate exceeds the no-new-taxes tax
3 rate and the rollback tax rate of the taxing unit, the notice must
4 contain a statement in the following form:

5 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

6 "PROPOSED TAX RATE \$_____ per \$100

7 "NO-NEW-TAXES RATE \$_____ per \$100

8 "ROLLBACK TAX RATE \$_____ per \$100

9 "The no-new-taxes rate is the tax rate for the (current tax
10 year) tax year that will raise the same amount of property tax
11 revenue for (name of taxing unit) from the same properties in both
12 the (preceding tax year) tax year and the (current tax year) tax
13 year.

14 "The rollback tax rate is the highest tax rate that (name of
15 taxing unit) may adopt without holding an election to ratify the
16 rate.

17 "The proposed tax rate is greater than the no-new-taxes rate.
18 This means that (name of taxing unit) is proposing to increase
19 property taxes for the (current tax year) tax year.

20 "A public hearing on the proposed tax rate will be held on
21 (date and time) at (meeting place).

22 "A second public hearing will be held on (date and time) at
23 (meeting place).

24 "The proposed tax rate is also greater than the rollback tax
25 rate. If (name of taxing unit) adopts the proposed tax rate, (name
26 of taxing unit) is required to hold an election so that voters may
27 accept or reject the proposed tax rate. If a majority of voters

1 reject the proposed tax rate, the (name of taxing unit) will be
2 required to adopt a new tax rate that is not greater than the
3 rollback tax rate. The election will be held on (date of election).
4 You may contact the (name of office responsible for administering
5 the election) for information about voting locations. The hours of
6 voting on election day are (voting hours).

7 "Your taxes owed under any of the tax rates mentioned above
8 can be calculated as follows:

9 "Property tax amount = tax rate x taxable value of your
10 property / 100

11 "(Names of all members of the governing body, showing how
12 each voted on the proposal to consider the tax increase or, if one
13 or more were absent, indicating the absences.)"

14 (b-2) If the proposed tax rate exceeds the no-new-taxes tax
15 rate but does not exceed the rollback tax rate of the taxing unit,
16 the notice must contain a statement in the following form:

17 "NOTICE OF PUBLIC HEARING ON TAX INCREASE

18 "PROPOSED TAX RATE \$_____per \$100

19 "NO-NEW-TAXES RATE \$_____per \$100

20 "ROLLBACK TAX RATE \$_____per \$100

21 "The no-new-taxes rate is the tax rate for the (current tax
22 year) tax year that will raise the same amount of property tax
23 revenue for (name of taxing unit) from the same properties in both
24 the (preceding tax year) tax year and the (current tax year) tax
25 year.

26 "The rollback tax rate is the highest tax rate that (name of
27 taxing unit) may adopt without holding an election to ratify the

1 rate.

2 "The proposed tax rate is greater than the no-new-taxes rate.
3 This means that (name of taxing unit) is proposing to increase
4 property taxes for the (current tax year) tax year.

5 "A public hearing on the proposed tax rate will be held on
6 (date and time) at (meeting place).

7 "A second public hearing will be held on (date and time) at
8 (meeting place).

9 "The proposed tax rate is not greater than the rollback tax
10 rate. As a result, (name of taxing unit) is not required to hold an
11 election at which voters may accept or reject the proposed tax rate.
12 However, you may express your support for or opposition to the
13 proposed tax rate by contacting the members of the (name of
14 governing body) of (name of taxing unit) at their offices or by
15 attending one of the public hearings mentioned above.

16 "Your taxes owed under any of the tax rates mentioned above
17 can be calculated as follows:

18 "Property tax amount = tax rate x taxable value of your
19 property / 100

20 "(Names of all members of the governing body, showing how
21 each voted on the proposal to consider the tax increase or, if one
22 or more were absent, indicating the absences.)"

23 (b-3) If the proposed tax rate does not exceed the
24 no-new-taxes tax rate but exceeds the rollback tax rate of the
25 taxing unit, the notice must contain a statement in the following
26 form:

"NOTICE OF PUBLIC HEARING ON TAX INCREASE

"PROPOSED TAX RATE \$_____ per \$100

"NO-NEW-TAXES RATE \$_____ per \$100

"ROLLBACK TAX RATE \$_____ per \$100

"The no-new-taxes rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is not greater than the no-new-taxes rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public hearing on the proposed tax rate will be held on (date and time) at (meeting place).

"A second public hearing will be held on (date and time) at (meeting place).

"The proposed tax rate is greater than the rollback tax rate. If (name of taxing unit) adopts the proposed tax rate, (name of taxing unit) is required to hold an election so that voters may accept or reject the proposed tax rate. If a majority of voters reject the proposed tax rate, the (name of taxing unit) will be required to adopt a new tax rate that is not greater than the rollback tax rate. The election will be held on (date of election). You may contact the (name of office responsible for administering

1 the election) for information about voting locations. The hours of
2 voting on election day are (voting hours).

3 "Your taxes owed under any of the tax rates mentioned above
4 can be calculated as follows:

5 "Property tax amount = tax rate x taxable value of your
6 property / 100

7 "(Names of all members of the governing body, showing how
8 each voted on the proposal to consider the tax increase or, if one
9 or more were absent, indicating the absences.)"

10 (b-4) In addition to including the information described by
11 Subsection (b-1), (b-2), or (b-3), as applicable, the notice must
12 include the information described by Section 26.062.

13 (d) At the public hearings the governing body shall announce
14 the date, time, and place of the meeting at which it will vote on the
15 proposed tax rate. After each hearing the governing body shall give
16 notice of the meeting at which it will vote on the proposed tax rate
17 and the notice shall be in the same form as prescribed by
18 Subsections (b) and (c), except that it must state the following:

19 "NOTICE OF TAX REVENUE INCREASE

20 "The (name of the taxing unit) conducted public hearings on
21 (date of first hearing) and (date of second hearing) on a proposal
22 to increase the total tax revenues of the (name of the taxing unit)
23 from properties on the tax roll in the preceding year by (percentage
24 by which proposed tax rate exceeds lower of rollback tax rate or
25 no-new-taxes [~~effective tax~~] rate calculated under this chapter)
26 percent.

27 "The total tax revenue proposed to be raised last year at last

1 year's tax rate of (insert tax rate for the preceding year) for each
2 \$100 of taxable value was (insert total amount of taxes imposed in
3 the preceding year).

4 "The total tax revenue proposed to be raised this year at the
5 proposed tax rate of (insert proposed tax rate) for each \$100 of
6 taxable value, excluding tax revenue to be raised from new property
7 added to the tax roll this year, is (insert amount computed by
8 multiplying proposed tax rate by the difference between current
9 total value and new property value).

10 "The total tax revenue proposed to be raised this year at the
11 proposed tax rate of (insert proposed tax rate) for each \$100 of
12 taxable value, including tax revenue to be raised from new property
13 added to the tax roll this year, is (insert amount computed by
14 multiplying proposed tax rate by current total value).

15 "The (governing body of the taxing unit) is scheduled to vote
16 on the tax rate that will result in that tax increase at a public
17 meeting to be held on (date of meeting) at (location of meeting,
18 including mailing address) at (time of meeting).

19 "The (governing body of the taxing unit) proposes to use the
20 increase in total tax revenue for the purpose of (description of
21 purpose of increase)."

22 (e) The meeting to vote on the tax increase may not be
23 earlier than the third day or later than the seventh [~~14th~~] day
24 after the date of the second public hearing. The meeting must be
25 held inside the boundaries of the taxing unit in a publicly owned
26 building or, if a suitable publicly owned building is not
27 available, in a suitable building to which the public normally has

1 access. If the governing body does not adopt a tax rate that
2 exceeds the lower of the rollback tax rate or the no-new-taxes
3 ~~[effective]~~ tax rate by the seventh ~~[14th]~~ day, it must give a new
4 notice under Subsection (d) before it may adopt a rate that exceeds
5 the lower of the rollback tax rate or the no-new-taxes ~~[effective]~~
6 tax rate.

7 SECTION 31. Chapter 26, Tax Code, is amended by adding
8 Sections 26.061 and 26.062 to read as follows:

9 Sec. 26.061. NOTICE OF MEETING TO VOTE ON PROPOSED TAX RATE
10 THAT DOES NOT EXCEED LOWER OF NO-NEW-TAXES OR ROLLBACK TAX RATE.

11 (a) This section applies only to the governing body of a taxing
12 unit other than a school district that proposes to adopt a tax rate
13 that does not exceed the lower of the no-new-taxes tax rate or the
14 rollback tax rate calculated as provided by this chapter.

15 (b) The notice of the meeting at which the governing body of
16 the taxing unit will vote on the proposed tax rate must contain a
17 statement in the following form:

18 "NOTICE OF MEETING TO VOTE ON TAX RATE

19 "PROPOSED TAX RATE \$_____per \$100

20 "NO-NEW-TAXES RATE \$_____per \$100

21 "ROLLBACK TAX RATE \$_____per \$100

22 "The no-new-taxes rate is the tax rate for the (current tax
23 year) tax year that will raise the same amount of property tax
24 revenue for (name of taxing unit) from the same properties in both
25 the (preceding tax year) tax year and the (current tax year) tax
26 year.

27 "The rollback tax rate is the highest tax rate that (name of

1 taxing unit) may adopt without holding an election to ratify the
2 rate.

3 "The proposed tax rate is not greater than the no-new-taxes
4 rate. This means that (name of taxing unit) is not proposing to
5 increase property taxes for the (current tax year) tax year.

6 "A public meeting to vote on the proposed tax rate will be
7 held on (date and time) at (meeting place).

8 "The proposed tax rate is also not greater than the rollback
9 tax rate. As a result, (name of taxing unit) is not required to hold
10 an election at which voters may accept or reject the proposed tax
11 rate. However, you may express your support for or opposition to
12 the proposed tax rate by contacting the members of the (name of
13 governing body) of (name of taxing unit) at their offices or by
14 attending the public meeting mentioned above.

15 "Your taxes owed under any of the above rates can be
16 calculated as follows:

17 "Property tax amount = tax rate x taxable value of your
18 property / 100

19 "(Names of all members of the governing body, showing how
20 each voted on the proposed tax rate or, if one or more were absent,
21 indicating the absences.)"

22 (c) In addition to including the information described by
23 Subsection (b), the notice must include the information described
24 by Section 26.062.

25 Sec. 26.062. ADDITIONAL INFORMATION TO BE INCLUDED IN TAX
26 RATE NOTICE. (a) In addition to the information described by
27 Section 26.06(b-1), (b-2), or (b-3) or 26.061, as applicable, a

1 notice required by that provision must include at the end of the
2 notice:

3 (1) a statement in the following form:

4 "The following table compares the taxes imposed on the
5 average residence homestead by (name of taxing unit) last year to
6 the taxes proposed to be imposed on the average residence homestead
7 by (name of taxing unit) this year:";

8 (2) a table in the form required by this section
9 following the statement described by Subdivision (1); and

10 (3) a statement in the following form following the
11 table:

12 (A) if the tax assessor for the taxing unit
13 maintains an Internet website: "For assistance with tax
14 calculations, please contact the tax assessor for (name of taxing
15 unit) at (telephone number) or (e-mail address), or visit (Internet
16 website address) for more information."; or

17 (B) if the tax assessor for the taxing unit does
18 not maintain an Internet website: "For assistance with tax
19 calculations, please contact the tax assessor for (name of taxing
20 unit) at (telephone number) or (e-mail address)."

21 (b) The table must contain five rows and four columns.

22 (c) The first row must appear as follows:

23 (1) the first column of the first row must be left
24 blank;

25 (2) the second column of the first row must state the
26 year corresponding to the preceding tax year;

27 (3) the third column of the first row must state the

1 year corresponding to the current tax year; and

2 (4) the fourth column of the first row must be entitled
3 "Change".

4 (d) The second row must appear as follows:

5 (1) the first column of the second row must be entitled
6 "Total tax rate (per \$100 of value)";

7 (2) the second column of the second row must state the
8 adopted tax rate for the preceding tax year;

9 (3) the third column of the second row must state the
10 proposed tax rate for the current tax year; and

11 (4) the fourth column of the second row must state the
12 nominal and percentage difference between the adopted tax rate for
13 the preceding tax year and the proposed tax rate for the current tax
14 year as follows: "(increase or decrease, as applicable) of
15 (nominal difference between tax rate stated in second column of
16 second row and tax rate stated in third column of second row) per
17 \$100, or (percentage difference between tax rate stated in second
18 column of second row and tax rate stated in third column of second
19 row)%".

20 (e) The third row must appear as follows:

21 (1) the first column of the third row must be entitled
22 "Average homestead taxable value";

23 (2) the second column of the third row must state the
24 average taxable value of a residence homestead in the taxing unit
25 for the preceding tax year;

26 (3) the third column of the third row must state the
27 average taxable value of a residence homestead in the taxing unit

1 for the current tax year; and

2 (4) the fourth column of the third row must state the
3 percentage difference between the average taxable value of a
4 residence homestead in the taxing unit for the preceding tax year
5 and the average taxable value of a residence homestead in the taxing
6 unit for the current tax year as follows: "(increase or decrease,
7 as applicable) of (percentage difference between amount stated in
8 second column of third row and amount stated in third column of
9 third row)%".

10 (f) The fourth row must appear as follows:

11 (1) the first column of the fourth row must be entitled
12 "Tax on average homestead";

13 (2) the second column of the fourth row must state the
14 amount of taxes imposed by the taxing unit in the preceding tax year
15 on a residence homestead with a taxable value equal to the average
16 taxable value of a residence homestead in the taxing unit in the
17 preceding tax year;

18 (3) the third column of the fourth row must state the
19 amount of taxes that would be imposed by the taxing unit in the
20 current tax year on a residence homestead with a taxable value equal
21 to the average taxable value of a residence homestead in the taxing
22 unit in the current tax year if the taxing unit adopted the proposed
23 tax rate; and

24 (4) the fourth column of the fourth row must state the
25 nominal and percentage difference between the amount of taxes
26 imposed by the taxing unit in the preceding tax year on a residence
27 homestead with a taxable value equal to the average taxable value of

1 a residence homestead in the taxing unit in the preceding tax year
2 and the amount of taxes that would be imposed by the taxing unit in
3 the current tax year on a residence homestead with a taxable value
4 equal to the average taxable value of a residence homestead in the
5 taxing unit in the current tax year if the taxing unit adopted the
6 proposed tax rate, as follows: "(increase or decrease, as
7 applicable) of (nominal difference between amount stated in second
8 column of fourth row and amount stated in third column of fourth
9 row), or (percentage difference between amount stated in second
10 column of fourth row and amount stated in third column of fourth
11 row)%".

12 (g) The fifth row must appear as follows:

13 (1) the first column of the fifth row must be entitled
14 "Total tax levy on all properties";

15 (2) the second column of the fifth row must state the
16 amount equal to last year's levy;

17 (3) the third column of the fifth row must state the
18 amount computed by multiplying the proposed tax rate by the current
19 total value and dividing the product by 100; and

20 (4) the fourth column of the fifth row must state the
21 nominal and percentage difference between the total amount of taxes
22 imposed by the taxing unit in the preceding tax year and the amount
23 that would be imposed by the taxing unit in the current tax year if
24 the taxing unit adopted the proposed tax rate, as follows:
25 "(increase or decrease, as applicable) of (nominal difference
26 between amount stated in second column of fifth row and amount
27 stated in third column of fifth row), or (percentage difference

1 between amount stated in second column of fifth row and amount
2 stated in third column of fifth row)%".

3 (h) In calculating the average taxable value of a residence
4 homestead in the taxing unit for the preceding tax year and the
5 current tax year for purposes of Subsections (e) and (f), any
6 residence homestead exemption available only to disabled persons,
7 persons 65 years of age or older, or their surviving spouses must be
8 disregarded.

9 SECTION 32. The heading to Section 26.08, Tax Code, is
10 amended to read as follows:

11 Sec. 26.08. ELECTION TO RATIFY TAX RATE [~~SCHOOL TAXES~~].

12 SECTION 33. Sections 26.08(a), (b), (d), (d-1), (d-2), (e),
13 (g), (h), (n), and (p), Tax Code, are amended to read as follows:

14 (a) If the governing body of a taxing unit [~~school district~~]
15 adopts a tax rate that exceeds the taxing unit's [~~district's~~]
16 rollback tax rate, the registered voters of the taxing unit
17 [~~district~~] at an election held for that purpose must determine
18 whether to approve the adopted tax rate. When increased
19 expenditure of money by a taxing unit [~~school district~~] is
20 necessary to respond to a disaster, including a tornado, hurricane,
21 flood, or other calamity, but not including a drought, that has
22 impacted the taxing unit [~~a school district~~] and the governor has
23 requested federal disaster assistance for the area in which the
24 taxing unit [~~school district~~] is located, an election is not
25 required under this section to approve the tax rate adopted by the
26 governing body for the year following the year in which the disaster
27 occurs.

1 (b) The governing body shall order that the election be held
2 in the taxing unit [~~school district~~] on the uniform election date
3 prescribed by [~~a date not less than 30 or more than 90 days after the~~
4 ~~day on which it adopted the tax rate.~~] Section 41.001, Election
5 Code, that occurs in November of the applicable tax year. The order
6 calling the election may not be issued later than August 15 [~~does~~
7 ~~not apply to the election unless a date specified by that section~~
8 ~~falls within the time permitted by this section~~]. At the election,
9 the ballots shall be prepared to permit voting for or against the
10 proposition: "Approving the ad valorem tax rate of \$_____ per \$100
11 valuation in (name of taxing unit [~~school district~~]) for the
12 current year, a rate that is \$_____ higher per \$100 valuation than
13 the [~~school district~~] rollback tax rate of (name of taxing unit),
14 for the purpose of (description of purpose of increase)." The
15 ballot proposition must include the adopted tax rate and the
16 difference between that rate and the rollback tax rate in the
17 appropriate places.

18 (d) If the proposition is not approved as provided by
19 Subsection (c), the governing body may not adopt a tax rate for the
20 taxing unit [~~school district~~] for the current year that exceeds the
21 taxing unit's [~~school district's~~] rollback tax rate.

22 (d-1) If, after tax bills for the taxing unit [~~school~~
23 ~~district~~] have been mailed, a proposition to approve the taxing
24 unit's [~~school district's~~] adopted tax rate is not approved by the
25 voters of the taxing unit [~~district~~] at an election held under this
26 section, on subsequent adoption of a new tax rate by the governing
27 body of the taxing unit [~~district~~], the assessor for the taxing unit

1 ~~[school]~~ shall prepare and mail corrected tax bills. The assessor
2 shall include with each bill a brief explanation of the reason for
3 and effect of the corrected bill. The date on which the taxes
4 become delinquent for the year is extended by a number of days equal
5 to the number of days between the date the first tax bills were sent
6 and the date the corrected tax bills were sent.

7 (d-2) If a property owner pays taxes calculated using the
8 originally adopted tax rate of the taxing unit ~~[school district]~~
9 and the proposition to approve the adopted tax rate is not approved
10 by the voters, the taxing unit ~~[school district]~~ shall refund the
11 difference between the amount of taxes paid and the amount due under
12 the subsequently adopted rate if the difference between the amount
13 of taxes paid and the amount due under the subsequent rate is \$1 or
14 more. If the difference between the amount of taxes paid and the
15 amount due under the subsequent rate is less than \$1, the taxing
16 unit ~~[school district]~~ shall refund the difference on request of
17 the taxpayer. An application for a refund of less than \$1 must be
18 made within 90 days after the date the refund becomes due or the
19 taxpayer forfeits the right to the refund.

20 (e) For purposes of this section, local tax funds dedicated
21 to a junior college district under Section 45.105(e), Education
22 Code, shall be eliminated from the calculation of the tax rate
23 adopted by the governing body of a a ~~[the]~~ school district. However,
24 the funds dedicated to the junior college district are subject to
25 Section 26.085.

26 (g) In a school district that received distributions from an
27 equalization tax imposed under former Chapter 18, Education Code,

1 the no-new-taxes tax [~~effective~~] rate of that tax as of the date of
2 the county unit system's abolition is added to the district's
3 rollback tax rate.

4 (h) For purposes of this section, increases in taxable
5 values and tax levies occurring within a reinvestment zone under
6 Chapter 311 (Tax Increment Financing Act), in which a school [~~the~~]
7 district is a participant, shall be eliminated from the calculation
8 of the tax rate adopted by the governing body of the school
9 district.

10 (n) For purposes of this section, the rollback tax rate of a
11 school district whose maintenance and operations tax rate for the
12 2005 tax year was \$1.50 or less per \$100 of taxable value is:

13 (1) for the 2006 tax year, the sum of the rate that is
14 equal to 88.67 percent of the maintenance and operations tax rate
15 adopted by the district for the 2005 tax year, the rate of \$0.04 per
16 \$100 of taxable value, and the district's current debt rate; and

17 (2) for the 2007 and subsequent tax years, the lesser
18 of the following:

19 (A) the sum of the following:

20 (i) the rate per \$100 of taxable value that
21 is equal to the product of the state compression percentage, as
22 determined under Section [42.2516](#), Education Code, for the current
23 year and \$1.50;

24 (ii) the rate of \$0.04 per \$100 of taxable
25 value;

26 (iii) the rate that is equal to the sum of
27 the differences for the 2006 and each subsequent tax year between

1 the adopted tax rate of the district for that year if the rate was
2 approved at an election under this section and the rollback tax rate
3 of the district for that year; and

4 (iv) the district's current debt rate; or

5 (B) the sum of the following:

6 (i) the no-new-taxes ~~[effective]~~
7 maintenance and operations tax rate of the district as computed
8 under Subsection (i) ~~[or (k), as applicable]~~;

9 (ii) the rate per \$100 of taxable value that
10 is equal to the product of the state compression percentage, as
11 determined under Section 42.2516, Education Code, for the current
12 year and \$0.06; and

13 (iii) the district's current debt rate.

14 (p) Notwithstanding Subsections (i), (n), and (o), if for
15 the preceding tax year a school district adopted a maintenance and
16 operations tax rate that was less than the district's no-new-taxes
17 ~~[effective]~~ maintenance and operations tax rate for that preceding
18 tax year, the rollback tax rate of the district for the current tax
19 year is calculated as if the district adopted a maintenance and
20 operations tax rate for the preceding tax year that was equal to the
21 district's no-new-taxes ~~[effective]~~ maintenance and operations tax
22 rate for that preceding tax year.

23 SECTION 34. Section 26.08(i), Tax Code, as effective
24 September 1, 2017, is amended to read as follows:

25 (i) For purposes of this section, the no-new-taxes
26 ~~[effective]~~ maintenance and operations tax rate of a school
27 district is the tax rate that, applied to the current total value

1 for the district, would impose taxes in an amount that, when added
2 to state funds that would be distributed to the district under
3 Chapter 42, Education Code, for the school year beginning in the
4 current tax year using that tax rate, would provide the same amount
5 of state funds distributed under Chapter 42, Education Code, and
6 maintenance and operations taxes of the district per student in
7 weighted average daily attendance for that school year that would
8 have been available to the district in the preceding year if the
9 funding elements for Chapters 41 and 42, Education Code, for the
10 current year had been in effect for the preceding year.

11 SECTION 35. The heading to Section 26.16, Tax Code, is
12 amended to read as follows:

13 Sec. 26.16. POSTING OF TAX-RELATED INFORMATION [~~TAX RATES~~]
14 ON COUNTY'S INTERNET WEBSITE.

15 SECTION 36. Section 26.16, Tax Code, is amended by amending
16 Subsections (a) and (d) and adding Subsections (a-1), (d-1), and
17 (d-2) to read as follows:

18 (a) Each county shall maintain an Internet website. The
19 county assessor-collector for each county [~~that maintains an~~
20 ~~Internet website~~] shall post on the Internet website maintained by
21 ~~of~~ the county the following information for the most recent five
22 tax years beginning with the 2012 tax year for each taxing unit all
23 or part of the territory of which is located in the county:

- 24 (1) the adopted tax rate;
25 (2) the maintenance and operations rate;
26 (3) the debt rate;
27 (4) the no-new-taxes [~~effective~~] tax rate;

1 (5) the no-new-taxes [~~effective~~] maintenance and
2 operations rate; and

3 (6) the rollback tax rate.

4 (a-1) For purposes of Subsection (a), a reference to the
5 no-new-taxes tax rate or the no-new-taxes maintenance and
6 operations rate includes the equivalent effective tax rate or
7 effective maintenance and operations rate for a preceding year.
8 This subsection expires January 1, 2024.

9 (d) The county assessor-collector shall post immediately
10 below the table prescribed by Subsection (c) the following
11 statement:

12 "The county is providing this table of property tax rate
13 information as a service to the residents of the county. Each
14 individual taxing unit is responsible for calculating the property
15 tax rates listed in this table pertaining to that taxing unit and
16 providing that information to the county.

17 "The adopted tax rate is the tax rate adopted by the governing
18 body of a taxing unit.

19 "The maintenance and operations rate is the component of the
20 adopted tax rate of a taxing unit that will impose the amount of
21 taxes needed to fund maintenance and operation expenditures of the
22 unit for the following year.

23 "The debt rate is the component of the adopted tax rate of a
24 taxing unit that will impose the amount of taxes needed to fund the
25 unit's debt service for the following year.

26 "The no-new-taxes [~~effective tax~~] rate is the tax rate that
27 would generate the same amount of revenue in the current tax year as

1 was generated by a taxing unit's adopted tax rate in the preceding
2 tax year from property that is taxable in both the current tax year
3 and the preceding tax year.

4 "The no-new-taxes [~~effective~~] maintenance and operations
5 rate is the tax rate that would generate the same amount of revenue
6 for maintenance and operations in the current tax year as was
7 generated by a taxing unit's maintenance and operations rate in the
8 preceding tax year from property that is taxable in both the current
9 tax year and the preceding tax year.

10 "The rollback tax rate is the highest tax rate a taxing unit
11 may adopt before requiring voter approval at an election. An [~~In~~
12 ~~the case of a taxing unit other than a school district, the voters~~
13 ~~by petition may require that a rollback election be held if the unit~~
14 ~~adopts a tax rate in excess of the unit's rollback tax rate. In the~~
15 ~~case of a school district, an~~] election will automatically be held
16 if a taxing unit [~~the district~~] wishes to adopt a tax rate in excess
17 of the unit's [~~district's~~] rollback tax rate."

18 (d-1) In addition to posting the information described by
19 Subsection (a), the county assessor-collector shall post on the
20 Internet website of the county for each taxing unit all or part of
21 the territory of which is located in the county:

22 (1) the worksheets used by the designated officer or
23 employee of each taxing unit to calculate the no-new-taxes and
24 rollback tax rates of the unit for the most recent five tax years
25 beginning with the 2018 tax year, as certified by the county
26 assessor-collector under Section 26.04(d-1); and

27 (2) the name and official contact information for each

1 member of the governing body of the taxing unit.

2 (d-2) Not later than August 1, the county
3 assessor-collector shall post on the website the worksheets
4 described by Subsection (d-1)(1) for the current tax year.

5 SECTION 37. Sections 31.12(a) and (b), Tax Code, are
6 amended to read as follows:

7 (a) If a refund of a tax provided by Section 11.431(b),
8 26.08(d-2) [~~26.07(g)~~], 26.15(f), 31.11, or 31.111 is paid on or
9 before the 60th day after the date the liability for the refund
10 arises, no interest is due on the amount refunded. If not paid on or
11 before that 60th day, the amount of the tax to be refunded accrues
12 interest at a rate of one percent for each month or part of a month
13 that the refund is unpaid, beginning with the date on which the
14 liability for the refund arises.

15 (b) For purposes of this section, liability for a refund
16 arises:

17 (1) if the refund is required by Section 11.431(b), on
18 the date the chief appraiser notifies the collector for the unit of
19 the approval of the late homestead exemption;

20 (2) if the refund is required by Section 26.08(d-2)
21 [~~26.07(g)~~], on the date the results of the election to reduce the
22 tax rate are certified;

23 (3) if the refund is required by Section 26.15(f):

24 (A) for a correction to the tax roll made under
25 Section 26.15(b), on the date the change in the tax roll is
26 certified to the assessor for the taxing unit under Section 25.25;
27 or

1 (B) for a correction to the tax roll made under
2 Section 26.15(c), on the date the change in the tax roll is ordered
3 by the governing body of the taxing unit;

4 (4) if the refund is required by Section 31.11, on the
5 date the auditor for the taxing unit determines that the payment was
6 erroneous or excessive or, if the amount of the refund exceeds the
7 applicable amount specified by Section 31.11(a), on the date the
8 governing body of the unit approves the refund; or

9 (5) if the refund is required by Section 31.111, on the
10 date the collector for the taxing unit determines that the payment
11 was erroneous.

12 SECTION 38. Section 33.08(b), Tax Code, is amended to read
13 as follows:

14 (b) The governing body of the taxing unit or appraisal
15 district, in the manner required by law for official action, may
16 provide that taxes that become delinquent on or after June 1 under
17 Section 26.08(d-1) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032,
18 31.04, or 42.42 incur an additional penalty to defray costs of
19 collection. The amount of the penalty may not exceed the amount of
20 the compensation specified in the applicable contract with an
21 attorney under Section 6.30 to be paid in connection with the
22 collection of the delinquent taxes.

23 SECTION 39. Section 41.03(a), Tax Code, is amended to read
24 as follows:

25 (a) A taxing unit is entitled to challenge before the
26 appraisal review board:

27 (1) [~~the level of appraisals of any category of~~

1 ~~property in the district or in any territory in the district, but~~
2 ~~not the appraised value of a single taxpayer's property,~~

3 ~~(2)]~~ an exclusion of property from the appraisal
4 records;

5 (2) ~~(3)]~~ a grant in whole or in part of a partial
6 exemption;

7 (3) ~~(4)]~~ a determination that land qualifies for
8 appraisal as provided by Subchapter C, D, E, or H, Chapter 23; or

9 (4) ~~(5)]~~ failure to identify the taxing unit as one
10 in which a particular property is taxable.

11 SECTION 40. Section 41.11(a), Tax Code, is amended to read
12 as follows:

13 (a) Not later than the date the appraisal review board
14 approves the appraisal records as provided by Section 41.12, the
15 secretary of the board shall deliver written notice to a property
16 owner of any change in the records that is ordered by the board as
17 provided by this subchapter and that will result in an increase in
18 the tax liability of the property owner. An owner who receives a
19 notice as provided by this section shall be entitled to protest such
20 action as provided by Section 41.44(a)(2) [~~41.44(a)(3)~~].

21 SECTION 41. Section 41.12(a), Tax Code, is amended to read
22 as follows:

23 (a) By July 5 [~~20~~], the appraisal review board shall:

24 (1) hear and determine all or substantially all timely
25 filed protests;

26 (2) determine all timely filed challenges;

27 (3) submit a list of its approved changes in the

1 records to the chief appraiser; and

2 (4) approve the records.

3 SECTION 42. Sections 41.44(a), (c), and (d), Tax Code, are
4 amended to read as follows:

5 (a) Except as provided by Subsections (b), [~~(b-1)~~], (c),
6 (c-1), and (c-2), to be entitled to a hearing and determination of a
7 protest, the property owner initiating the protest must file a
8 written notice of the protest with the appraisal review board
9 having authority to hear the matter protested:

10 (1) not later than the later of:

11 (A) [~~before~~] May 15; [~~±~~] or

12 (B) [~~not later than~~] the 30th day after the date
13 that notice to the property owner was delivered to the property
14 owner as provided by Section 25.19[~~, if the property is a~~
15 ~~single-family residence that qualifies for an exemption under~~
16 ~~Section 11.13, whichever is later~~];

17 (2) [~~before June 1 or not later than the 30th day after~~
18 ~~the date that notice was delivered to the property owner as provided~~
19 ~~by Section 25.19 in connection with any other property, whichever~~
20 ~~is later,~~

21 [~~(3)~~] in the case of a protest of a change in the
22 appraisal records ordered as provided by Subchapter A of this
23 chapter or by Chapter 25, not later than the 30th day after the date
24 notice of the change is delivered to the property owner;

25 (3) [~~(4)~~] in the case of a determination that a change
26 in the use of land appraised under Subchapter C, D, E, or H, Chapter
27 23, has occurred, not later than the 30th day after the date the

1 notice of the determination is delivered to the property owner; or
2 (4) [~~(5)~~] in the case of a determination of
3 eligibility for a refund under Section 23.1243, not later than the
4 30th day after the date the notice of the determination is delivered
5 to the property owner.

6 (c) A property owner who files notice of a protest
7 authorized by Section 41.411 is entitled to a hearing and
8 determination of the protest if the property owner files the notice
9 prior to the date the taxes on the property to which the notice
10 applies become delinquent. An owner of land who files a notice of
11 protest under Subsection (a)(3) [~~(a)(4)~~] is entitled to a hearing
12 and determination of the protest without regard to whether the
13 appraisal records are approved.

14 (d) A notice of protest is sufficient if it identifies the
15 protesting property owner, including a person claiming an ownership
16 interest in the property even if that person is not listed on the
17 appraisal records as an owner of the property, identifies the
18 property that is the subject of the protest, and indicates apparent
19 dissatisfaction with some determination of the appraisal office.
20 The notice need not be on an official form, but the comptroller
21 shall prescribe a form that provides for more detail about the
22 nature of the protest. The form must permit a property owner to
23 include each property in the appraisal district that is the subject
24 of a protest. The form must permit a property owner to request that
25 the protest be heard by a special panel established under Section
26 6.425 if the protest will be determined by an appraisal review board
27 to which that section applies and the property is included in a

1 classification described by that section. The comptroller, each
2 appraisal office, and each appraisal review board shall make the
3 forms readily available and deliver one to a property owner on
4 request.

5 SECTION 43. Section 41.45, Tax Code, is amended by amending
6 Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to
7 read as follows:

8 (d) This subsection does not apply to a special panel
9 established under Section 6.425. An appraisal review board
10 consisting of more than three members may sit in panels of not fewer
11 than three members to conduct protest hearings. [~~However, the~~
12 ~~determination of a protest heard by a panel must be made by the~~
13 ~~board.~~] If the recommendation of a panel is not accepted by the
14 board, the board may refer the matter for rehearing to a panel
15 composed of members who did not hear the original hearing or, if
16 there are not at least three members who did not hear the original
17 protest, the board may determine the protest. [~~Before determining~~
18 ~~a protest or conducting a rehearing before a new panel or the board,~~
19 ~~the board shall deliver notice of the hearing or meeting to~~
20 ~~determine the protest in accordance with the provisions of this~~
21 ~~subchapter.~~]

22 (d-1) An appraisal review board to which Section 6.425
23 applies shall sit in special panels established under that section
24 to conduct protest hearings. A special panel may conduct a protest
25 hearing relating to property only if the property is included in the
26 classification for which the panel was established and the property
27 owner has requested that the panel conduct the hearing. The board

1 may rehear a protest heard by a special panel if the board elects
2 not to accept the recommendation of the panel.

3 (d-2) The determination of a protest heard by a panel under
4 Subsection (d) or (d-1) must be made by the board.

5 (d-3) The board must deliver notice of a hearing or meeting
6 to determine a protest heard by a panel, or to rehear a protest,
7 under Subsection (d) or (d-1) in accordance with the provisions of
8 this subchapter.

9 SECTION 44. Section 41.66, Tax Code, is amended by amending
10 Subsection (k) and adding Subsection (k-1) to read as follows:

11 (k) This subsection does not apply to a special panel
12 established under Section 6.425. If an appraisal review board sits
13 in panels to conduct protest hearings, protests shall be randomly
14 assigned to panels, except that the board may consider the type of
15 property subject to the protest or the ground of the protest for the
16 purpose of using the expertise of a particular panel in hearing
17 protests regarding particular types of property or based on
18 particular grounds. If a protest is scheduled to be heard by a
19 particular panel, the protest may not be reassigned to another
20 panel without the consent of the property owner or designated
21 agent. If the appraisal review board has cause to reassign a
22 protest to another panel, a property owner or designated agent may
23 agree to reassignment of the protest or may request that the hearing
24 on the protest be postponed. The board shall postpone the hearing
25 on that request. A change of members of a panel because of a
26 conflict of interest, illness, or inability to continue
27 participating in hearings for the remainder of the day does not

1 constitute reassignment of a protest to another panel.

2 (k-1) On the request of a property owner, an appraisal
3 review board to which Section 6.425 applies shall assign a protest
4 relating to property included in a classification described by that
5 section to the special panel established to conduct protest
6 hearings relating to property included in that classification. If
7 the board has established more than one special panel to conduct
8 protest hearings relating to property included in a particular
9 classification, protests relating to property included in that
10 classification shall be randomly assigned to those special panels.
11 If a protest is scheduled to be heard by a particular special panel,
12 the protest may not be reassigned to another special panel without
13 the consent of the property owner or designated agent. If the board
14 has cause to reassign a protest to another special panel, a property
15 owner or designated agent may agree to reassignment of the protest
16 or may request that the hearing on the protest be postponed. The
17 board shall postpone the hearing on that request. A change of
18 members of a special panel because of a conflict of interest,
19 illness, or inability to continue participating in hearings for the
20 remainder of the day does not constitute reassignment of a protest
21 to another special panel.

22 SECTION 45. Section 41.71, Tax Code, is amended to read as
23 follows:

24 Sec. 41.71. EVENING AND WEEKEND HEARINGS. (a) An
25 appraisal review board by rule shall provide for hearings on
26 protests [~~in the evening or~~] on a Saturday or after 5 p.m. on a
27 weekday [~~Sunday~~].

1 (b) The board may not schedule:

2 (1) the first hearing on a protest held on a weekday
3 evening to begin after 7 p.m.; or

4 (2) a hearing on a protest on a Sunday.

5 SECTION 46. Section 41A.01, Tax Code, is amended to read as
6 follows:

7 Sec. 41A.01. RIGHT OF APPEAL BY PROPERTY OWNER. As an
8 alternative to filing an appeal under Section 42.01, a property
9 owner is entitled to appeal through binding arbitration under this
10 chapter an appraisal review board order determining a protest filed
11 under Section 41.41(a)(1) or (2) concerning the appraised or market
12 value of property if:

13 (1) the property qualifies as the owner's residence
14 homestead under Section 11.13; or

15 (2) the appraised or market value, as applicable, of
16 the property as determined by the order is \$5 [~~\$3~~] million or less.

17 SECTION 47. Section 41A.03(a), Tax Code, is amended to read
18 as follows:

19 (a) To appeal an appraisal review board order under this
20 chapter, a property owner must file with the appraisal district not
21 later than the 45th day after the date the property owner receives
22 notice of the order:

23 (1) a completed request for binding arbitration under
24 this chapter in the form prescribed by Section 41A.04; and

25 (2) an arbitration deposit made payable to the
26 comptroller in the amount of:

27 (A) \$450, if the property qualifies as the

1 owner's residence homestead under Section 11.13 and the appraised
2 or market value, as applicable, of the property is \$500,000 or less,
3 as determined by the order;

4 (B) \$500, if the property qualifies as the
5 owner's residence homestead under Section 11.13 and the appraised
6 or market value, as applicable, of the property is more than
7 \$500,000, as determined by the order;

8 (C) \$500, if the property does not qualify as the
9 owner's residence homestead under Section 11.13 and the appraised
10 or market value, as applicable, of the property is \$1 million or
11 less, as determined by the order;

12 (D) \$800, if the property does not qualify as the
13 owner's residence homestead under Section 11.13 and the appraised
14 or market value, as applicable, of the property is more than \$1
15 million but not more than \$2 million, as determined by the order;
16 [~~or~~]

17 (E) \$1,050, if the property does not qualify as
18 the owner's residence homestead under Section 11.13 and the
19 appraised or market value, as applicable, of the property is more
20 than \$2 million but not more than \$3 million, as determined by the
21 order; or

22 (F) \$1,250, if the property does not qualify as
23 the owner's residence homestead under Section 11.13 and the
24 appraised or market value, as applicable, of the property is more
25 than \$3 million but not more than \$5 million, as determined by the
26 order.

27 SECTION 48. Section 41A.06(b), Tax Code, is amended to read

1 as follows:

2 (b) To initially qualify to serve as an arbitrator under
3 this chapter, a person must:

4 (1) meet the following requirements, as applicable:

5 (A) be licensed as an attorney in this state; or

6 (B) have:

7 (i) completed at least 30 hours of training
8 in arbitration and alternative dispute resolution procedures from a
9 university, college, or legal or real estate trade association; and

10 (ii) been licensed or certified
11 continuously during the five years preceding the date the person
12 agrees to serve as an arbitrator as:

13 (a) a real estate broker or sales
14 agent [~~salesperson~~] under Chapter 1101, Occupations Code;

15 (b) a real estate appraiser under
16 Chapter 1103, Occupations Code; or

17 (c) a certified public accountant
18 under Chapter 901, Occupations Code; and

19 (2) agree to conduct an arbitration for a fee that is
20 not more than:

21 (A) \$400, if the property qualifies as the
22 owner's residence homestead under Section 11.13 and the appraised
23 or market value, as applicable, of the property is \$500,000 or less,
24 as determined by the order;

25 (B) \$450, if the property qualifies as the
26 owner's residence homestead under Section 11.13 and the appraised
27 or market value, as applicable, of the property is more than

1 \$500,000, as determined by the order;

2 (C) \$450, if the property does not qualify as the
3 owner's residence homestead under Section 11.13 and the appraised
4 or market value, as applicable, of the property is \$1 million or
5 less, as determined by the order;

6 (D) \$750, if the property does not qualify as the
7 owner's residence homestead under Section 11.13 and the appraised
8 or market value, as applicable, of the property is more than \$1
9 million but not more than \$2 million, as determined by the order;
10 [~~or~~]

11 (E) \$1,000, if the property does not qualify as
12 the owner's residence homestead under Section 11.13 and the
13 appraised or market value, as applicable, of the property is more
14 than \$2 million but not more than \$3 million, as determined by the
15 order; or

16 (F) \$1,200, if the property does not qualify as
17 the owner's residence homestead under Section 11.13 and the
18 appraised or market value, as applicable, of the property is more
19 than \$3 million but not more than \$5 million, as determined by the
20 order.

21 SECTION 49. Section 45.105(e), Education Code, is amended
22 to read as follows:

23 (e) The governing body of an independent school district
24 that governs a junior college district under Subchapter B, Chapter
25 130, in a county with a population of more than two million may
26 dedicate a specific percentage of the local tax levy to the use of
27 the junior college district for facilities and equipment or for the

1 maintenance and operating expenses of the junior college district.
2 To be effective, the dedication must be made by the governing body
3 on or before the date on which the governing body adopts its tax
4 rate for a year. The amount of local tax funds derived from the
5 percentage of the local tax levy dedicated to a junior college
6 district from a tax levy may not exceed the amount that would be
7 levied by five percent of the no-new-taxes ~~[effective]~~ tax rate for
8 the tax year calculated as provided by Section 26.04, Tax Code, on
9 all property taxable by the school district. All real property
10 purchased with these funds is the property of the school district,
11 but is subject to the exclusive control of the governing body of the
12 junior college district for as long as the junior college district
13 uses the property for educational purposes.

14 SECTION 50. Section 130.016(b), Education Code, is amended
15 to read as follows:

16 (b) If the board of trustees of an independent school
17 district that divests itself of the management, control, and
18 operation of a junior college district under this section or under
19 Section 130.017 ~~[of this code]~~ was authorized by ~~[Subsection (e)~~
20 ~~of]~~ Section 45.105(e) or under former Section 20.48(e) ~~[20.48 of~~
21 ~~this code]~~ to dedicate a portion of its tax levy to the junior
22 college district before the divestment, the junior college district
23 may levy an ad valorem tax from and after the divestment. In the
24 first two years in which the junior college district levies an ad
25 valorem tax, the tax rate adopted by the governing body may not
26 exceed the rate that, if applied to the total taxable value
27 submitted to the governing body under Section 26.04, Tax Code,

1 would impose an amount equal to the amount of taxes of the school
2 district dedicated to the junior college under [~~Subsection (e) of~~]
3 Section 45.105(e) or former Section 20.48(e) [~~20.48 of this code~~]
4 in the last dedication before the divestment. In subsequent years,
5 the tax rate of the junior college district is subject to Section
6 26.08 [~~26.07~~], Tax Code.

7 SECTION 51. Section 403.302(o), Government Code, is amended
8 to read as follows:

9 (o) The comptroller shall adopt rules governing the conduct
10 of the study after consultation with the comptroller's property tax
11 administration advisory board [~~Comptroller's Property Value Study~~
12 ~~Advisory Committee~~].

13 SECTION 52. Sections 281.124(d) and (e), Health and Safety
14 Code, are amended to read as follows:

15 (d) If a majority of the votes cast in the election favor the
16 proposition, the tax rate for the specified tax year is the rate
17 approved by the voters, and that rate is not subject to [~~a rollback~~
18 ~~election under~~] Section 26.08 [~~26.07~~], Tax Code. The board shall
19 adopt the tax rate as provided by Chapter 26, Tax Code.

20 (e) If the proposition is not approved as provided by
21 Subsection (c), the board may not adopt a tax rate for the district
22 for the specified tax year that exceeds the rate that was not
23 approved, and Section 26.08 [~~26.07~~], Tax Code, applies to the
24 adopted rate if that rate exceeds the district's rollback tax rate.

25 SECTION 53. Section 102.007(d), Local Government Code, is
26 amended to read as follows:

27 (d) An adopted budget must contain a cover page that

1 includes:

2 (1) one of the following statements in 18-point or
3 larger type that accurately describes the adopted budget:

4 (A) "This budget will raise more revenue from
5 property taxes than last year's budget by an amount of (insert total
6 dollar amount of increase), which is a (insert percentage increase)
7 percent increase from last year's budget. The property tax revenue
8 to be raised from new property added to the tax roll this year is
9 (insert amount computed by multiplying the proposed tax rate by the
10 value of new property added to the roll).";

11 (B) "This budget will raise less revenue from
12 property taxes than last year's budget by an amount of (insert total
13 dollar amount of decrease), which is a (insert percentage decrease)
14 percent decrease from last year's budget. The property tax revenue
15 to be raised from new property added to the tax roll this year is
16 (insert amount computed by multiplying the proposed tax rate by the
17 value of new property added to the roll)."; or

18 (C) "This budget will raise the same amount of
19 revenue from property taxes as last year's budget. The property tax
20 revenue to be raised from new property added to the tax roll this
21 year is (insert amount computed by multiplying the proposed tax
22 rate by the value of new property added to the roll).";

23 (2) the record vote of each member of the governing
24 body by name voting on the adoption of the budget;

25 (3) the municipal property tax rates for the preceding
26 fiscal year, and each municipal property tax rate that has been
27 adopted or calculated for the current fiscal year, including:

- 1 (A) the property tax rate;
- 2 (B) the no-new-taxes [~~effective~~] tax rate;
- 3 (C) the no-new-taxes [~~effective~~] maintenance and
4 operations tax rate;
- 5 (D) the rollback tax rate; and
- 6 (E) the debt rate; and
- 7 (4) the total amount of municipal debt obligations.

8 SECTION 54. Section 111.008(d), Local Government Code, is
9 amended to read as follows:

10 (d) An adopted budget must contain a cover page that
11 includes:

12 (1) one of the following statements in 18-point or
13 larger type that accurately describes the adopted budget:

14 (A) "This budget will raise more revenue from
15 property taxes than last year's budget by an amount of (insert total
16 dollar amount of increase), which is a (insert percentage increase)
17 percent increase from last year's budget. The property tax revenue
18 to be raised from new property added to the tax roll this year is
19 (insert amount computed by multiplying the proposed tax rate by the
20 value of new property added to the roll).";

21 (B) "This budget will raise less revenue from
22 property taxes than last year's budget by an amount of (insert total
23 dollar amount of decrease), which is a (insert percentage decrease)
24 percent decrease from last year's budget. The property tax revenue
25 to be raised from new property added to the tax roll this year is
26 (insert amount computed by multiplying the proposed tax rate by the
27 value of new property added to the roll)."; or

1 (C) "This budget will raise the same amount of
2 revenue from property taxes as last year's budget. The property tax
3 revenue to be raised from new property added to the tax roll this
4 year is (insert amount computed by multiplying the proposed tax
5 rate by the value of new property added to the roll).";

6 (2) the record vote of each member of the
7 commissioners court by name voting on the adoption of the budget;

8 (3) the county property tax rates for the preceding
9 fiscal year, and each county property tax rate that has been adopted
10 or calculated for the current fiscal year, including:

11 (A) the property tax rate;

12 (B) the no-new-taxes [~~effective~~] tax rate;

13 (C) the no-new-taxes [~~effective~~] maintenance and
14 operations tax rate;

15 (D) the rollback tax rate; and

16 (E) the debt rate; and

17 (4) the total amount of county debt obligations.

18 SECTION 55. Section [111.039\(d\)](#), Local Government Code, is
19 amended to read as follows:

20 (d) An adopted budget must contain a cover page that
21 includes:

22 (1) one of the following statements in 18-point or
23 larger type that accurately describes the adopted budget:

24 (A) "This budget will raise more revenue from
25 property taxes than last year's budget by an amount of (insert total
26 dollar amount of increase), which is a (insert percentage increase)
27 percent increase from last year's budget. The property tax revenue

1 to be raised from new property added to the tax roll this year is
2 (insert amount computed by multiplying the proposed tax rate by the
3 value of new property added to the roll).";

4 (B) "This budget will raise less revenue from
5 property taxes than last year's budget by an amount of (insert total
6 dollar amount of decrease), which is a (insert percentage decrease)
7 percent decrease from last year's budget. The property tax revenue
8 to be raised from new property added to the tax roll this year is
9 (insert amount computed by multiplying the proposed tax rate by the
10 value of new property added to the roll)."; or

11 (C) "This budget will raise the same amount of
12 revenue from property taxes as last year's budget. The property tax
13 revenue to be raised from new property added to the tax roll this
14 year is (insert amount computed by multiplying the proposed tax
15 rate by the value of new property added to the roll).";

16 (2) the record vote of each member of the
17 commissioners court by name voting on the adoption of the budget;

18 (3) the county property tax rates for the preceding
19 fiscal year, and each county property tax rate that has been adopted
20 or calculated for the current fiscal year, including:

21 (A) the property tax rate;

22 (B) the no-new-taxes [~~effective~~] tax rate;

23 (C) the no-new-taxes [~~effective~~] maintenance and
24 operations tax rate;

25 (D) the rollback tax rate; and

26 (E) the debt rate; and

27 (4) the total amount of county debt obligations.

1 SECTION 56. Section 111.068(c), Local Government Code, is
2 amended to read as follows:

3 (c) An adopted budget must contain a cover page that
4 includes:

5 (1) one of the following statements in 18-point or
6 larger type that accurately describes the adopted budget:

7 (A) "This budget will raise more revenue from
8 property taxes than last year's budget by an amount of (insert total
9 dollar amount of increase), which is a (insert percentage increase)
10 percent increase from last year's budget. The property tax revenue
11 to be raised from new property added to the tax roll this year is
12 (insert amount computed by multiplying the proposed tax rate by the
13 value of new property added to the roll).";

14 (B) "This budget will raise less revenue from
15 property taxes than last year's budget by an amount of (insert total
16 dollar amount of decrease), which is a (insert percentage decrease)
17 percent decrease from last year's budget. The property tax revenue
18 to be raised from new property added to the tax roll this year is
19 (insert amount computed by multiplying the proposed tax rate by the
20 value of new property added to the roll)."; or

21 (C) "This budget will raise the same amount of
22 revenue from property taxes as last year's budget. The property tax
23 revenue to be raised from new property added to the tax roll this
24 year is (insert amount computed by multiplying the proposed tax
25 rate by the value of new property added to the roll).";

26 (2) the record vote of each member of the
27 commissioners court by name voting on the adoption of the budget;

1 (3) the county property tax rates for the preceding
2 fiscal year, and each county property tax rate that has been adopted
3 or calculated for the current fiscal year, including:

4 (A) the property tax rate;

5 (B) the no-new-taxes ~~[effective]~~ tax rate;

6 (C) the no-new-taxes ~~[effective]~~ maintenance and
7 operations tax rate;

8 (D) the rollback tax rate; and

9 (E) the debt rate; and

10 (4) the total amount of county debt obligations.

11 SECTION 57. Section [1101.254](#)(f), Special District Local
12 Laws Code, is amended to read as follows:

13 (f) This section does not affect the applicability of ~~[any~~
14 ~~rights district voters may have to petition for an election under]~~
15 Section [26.08](#) ~~[[26.07](#)]~~, Tax Code, to the district's tax rate, except
16 that if district voters approve a tax rate increase under this
17 section, ~~[the voters may not petition for an election under]~~
18 Section [26.08](#) ~~[[26.07](#)]~~, Tax Code, does not apply ~~[as]~~ to the tax rate
19 for that year.

20 SECTION 58. Sections [1122.2522](#), [3828.157](#), and [8876.152](#),
21 Special District Local Laws Code, are amended to read as follows:

22 Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE.
23 ~~[(a)]~~ If in any year the board adopts a tax rate that exceeds the
24 rollback tax rate calculated as provided by Chapter [26](#), Tax Code,
25 ~~[the qualified voters of the district by petition may require that]~~
26 an election under Section [26.08](#) of that code must be held to
27 determine whether or not to approve ~~[reduce]~~ the tax rate adopted by

1 the board for that year [~~to the rollback tax rate~~].

2 [~~(b) To the extent a conflict exists between this section~~
3 ~~and a provision of the Tax Code, the provision of the Tax Code~~
4 ~~prevails.~~]

5 Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE
6 PROVISIONS. Sections [26.04](#), [26.05](#), and [26.08](#) [~~26.07~~], Tax Code, do
7 not apply to a tax imposed under Section [3828.153](#) or [3828.156](#).

8 Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS.

9 (a) Sections [26.04](#), [26.05](#), [26.06](#), [26.061](#), and [26.08](#) [~~26.07~~], Tax
10 Code, do not apply to a tax imposed by the district.

11 (b) Sections [49.236](#)(a)(1) and (2) and (b) [~~Section [49.236](#)~~,
12 Water Code, apply [~~as added by Chapter 248 (H.B. 1541), Acts of the~~
13 ~~78th Legislature, Regular Session, 2003, applies~~] to the district.

14 SECTION 59. Section [49.107](#)(g), Water Code, is amended to
15 read as follows:

16 (g) Sections [26.04](#), [26.05](#), [26.061](#), and [26.08](#) [~~26.07~~], Tax
17 Code, do not apply to a tax levied and collected under this section
18 or an ad valorem tax levied and collected for the payment of the
19 interest on and principal of bonds issued by a district.

20 SECTION 60. Section [49.108](#)(f), Water Code, is amended to
21 read as follows:

22 (f) Sections [26.04](#), [26.05](#), [26.061](#), and [26.08](#) [~~26.07~~], Tax
23 Code, do not apply to a tax levied and collected for payments made
24 under a contract approved in accordance with this section.

25 SECTION 61. Section [49.236](#), Water Code, as added by Chapter
26 335 (S.B. 392), Acts of the 78th Legislature, Regular Session,
27 2003, is amended by amending Subsections (a) and (d) and adding

1 Subsections (e), (f), (g), (h), (i), (j), (k), and (l) to read as
2 follows:

3 (a) Before the board adopts an ad valorem tax rate for the
4 district for debt service, operation and maintenance purposes, or
5 contract purposes, the board shall give notice of each meeting of
6 the board at which the adoption of a tax rate will be considered.
7 The notice must:

8 (1) contain a statement in substantially the following
9 form:

10 "NOTICE OF PUBLIC HEARING ON TAX RATE

11 "The (name of the district) will hold a public hearing on a
12 proposed tax rate for the tax year (year of tax levy) on (date and
13 time) at (meeting place). Your individual taxes may increase or
14 decrease, depending on the change in the taxable value of your
15 property in relation to the change in taxable value of all other
16 property and the tax rate that is adopted.

17 "(Names of all board members and, if a vote was taken, an
18 indication of how each voted on the proposed tax rate and an
19 indication of any absences.)";

20 (2) contain the following information:

21 (A) the district's total adopted tax rate for the
22 preceding year and the proposed tax rate, expressed as an amount per
23 \$100;

24 (B) the difference, expressed as an amount per
25 \$100 and as a percent increase or decrease, as applicable, in the
26 proposed tax rate compared to the adopted tax rate for the preceding
27 year;

1 (C) the average appraised value of a residence
2 homestead in the district in the preceding year and in the current
3 year; the district's total homestead exemption, other than an
4 exemption available only to disabled persons or persons 65 years of
5 age or older, applicable to that appraised value in each of those
6 years; and the average taxable value of a residence homestead in the
7 district in each of those years, disregarding any homestead
8 exemption available only to disabled persons or persons 65 years of
9 age or older;

10 (D) the amount of tax that would have been
11 imposed by the district in the preceding year on a residence
12 homestead appraised at the average appraised value of a residence
13 homestead in that year, disregarding any homestead exemption
14 available only to disabled persons or persons 65 years of age or
15 older;

16 (E) the amount of tax that would be imposed by the
17 district in the current year on a residence homestead appraised at
18 the average appraised value of a residence homestead in that year,
19 disregarding any homestead exemption available only to disabled
20 persons or persons 65 years of age or older, if the proposed tax
21 rate is adopted; ~~and~~

22 (F) the difference between the amounts of tax
23 calculated under Paragraphs (D) and (E), expressed in dollars and
24 cents and described as the annual percentage increase or decrease,
25 as applicable, in the tax to be imposed by the district on the
26 average residence homestead in the district in the current year if
27 the proposed tax rate is adopted; and

1 (G) if the proposed combined debt service,
2 operation and maintenance, and contract tax rate requires or
3 authorizes an election in the district to ratify the tax rate, a
4 description of the purpose of the proposed tax increase; and

5 (3) contain a statement in substantially the following
6 form, as applicable:

7 (A) if there are not any new improvements in the
8 district in the current tax year:

9 "NOTICE OF VOTE ON TAX RATE [~~TAXPAYERS' RIGHT TO ROLLBACK ELECTION~~]

10 "If taxes on the average residence homestead increase by more
11 than five [~~eight~~] percent, [~~the qualified voters of the district by~~
12 ~~petition may require that~~] an election must be held to determine
13 whether to ratify [~~reduce~~] the [~~operation and maintenance~~] tax rate
14 [~~to the rollback tax rate~~] under Section 49.236(d), Water Code."i
15 or

16 (B) if there are any new improvements in the
17 district in the current tax year:

18 "NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

19 "If taxes on the average residence homestead increase by more
20 than five percent, the qualified voters of the district by petition
21 may require that an election be held to determine whether to ratify
22 the tax rate under Section 49.236(e), Water Code."

23 (d) This subsection applies to a district only if there are
24 not any new improvements in the district in the current tax year.

25 If the board [~~governing body~~] of the [~~a~~] district adopts a combined
26 debt service, operation and maintenance, and contract tax rate that
27 would impose more than 1.05 [~~1.08~~] times the amount of tax imposed

1 by the district in the preceding year on a residence homestead
2 appraised at the average appraised value of a residence homestead
3 in the district in that year, disregarding any homestead exemption
4 available only to disabled persons or persons 65 years of age or
5 older, [~~the qualified voters of the district by petition may~~
6 ~~require that~~] an election must be held to determine whether [~~or not~~]
7 to ratify [~~reduce~~] the tax rate adopted for the current year [~~to the~~
8 ~~rollback tax rate~~] in accordance with the procedures provided by
9 Sections 26.08(b)-(d-2) [~~26.07(b)-(g) and 26.081~~], Tax Code.

10 (e) This subsection and Subsections (f)-(i) apply to a
11 district only if there are any new improvements in the district in
12 the current tax year. If the board of the district adopts a
13 combined debt service, operation and maintenance, and contract tax
14 rate that would impose more than 1.05 times the amount of tax
15 imposed by the district in the preceding year on a residence
16 homestead appraised at the average appraised value of a residence
17 homestead in the district in that year, disregarding any homestead
18 exemption available only to disabled persons or persons 65 years of
19 age or older, the qualified voters of the district by petition may
20 require that an election be held to determine whether to ratify the
21 tax rate adopted for the current year in accordance with the
22 procedures provided by Subsections (f)-(i) of this section and
23 Section 26.081, Tax Code.

24 (f) A petition is valid only if:

25 (1) it states that it is intended to require an
26 election in the district on the question of ratifying the tax rate
27 adopted for the current year;

1 (2) it is signed by a number of registered voters of
2 the district equal to at least:

3 (A) seven percent of the number of registered
4 voters of the district according to the most recent official list of
5 registered voters if the tax rate adopted for the current tax year
6 would impose taxes for operation and maintenance in an amount of at
7 least \$5 million; or

8 (B) 10 percent of the number of registered voters
9 of the district according to the most recent official list of
10 registered voters if the tax rate adopted for the current tax year
11 would impose taxes for operation and maintenance in an amount of
12 less than \$5 million; and

13 (3) it is submitted to the board on or before the 90th
14 day after the date on which the board adopted the tax rate for the
15 current year.

16 (g) Not later than the 20th day after the day a petition is
17 submitted, the board shall determine whether or not the petition is
18 valid and pass a resolution stating its finding. If the board fails
19 to act within the time allowed, the petition is treated as if it had
20 been found valid.

21 (h) If the board finds that the petition is valid (or fails
22 to act within the time allowed), it shall order that an election be
23 held in the district on a date not less than 30 or more than 90 days
24 after the last day on which it could have acted to approve or
25 disapprove the petition. A state law requiring local elections to
26 be held on a specified date does not apply to the election unless a
27 specified date falls within the time permitted by this section. At

1 the election, the ballots shall be prepared to permit voting for or
 2 against the proposition: "Approving the ad valorem tax rate of
 3 \$_____ per \$100 valuation in (name of district) for the current year,
 4 a rate that is \$_____ higher per \$100 valuation than the district's
 5 rollback tax rate, for the purpose of (description of purpose of
 6 increase)." The ballot proposition must include the adopted tax
 7 rate and the difference between that rate and the rollback tax rate
 8 in the appropriate places.

9 (i) Sections 26.08(c), (d), (d-1), and (d-2), Tax Code,
 10 apply to an election under Subsection (e) of this section in the
 11 same manner as those subsections apply to an election under Section
 12 26.08, Tax Code.

13 (j) For purposes of an election under Subsection (d) or (e),
 14 as applicable [~~Sections 26.07(b)-(g) and this subsection~~], the
 15 rollback tax rate of a district is the sum of the following tax
 16 rates:

17 (1) the current year's debt service tax rate;
 18 (2) the current year's [~~and~~] contract tax rate; and
 19 (3) [~~rates plus~~] the operation and maintenance tax
 20 rate that would impose 1.05 [~~1.08~~] times the amount of the operation
 21 and maintenance tax imposed by the district in the preceding year on
 22 a residence homestead appraised at the average appraised value of a
 23 residence homestead in the district in that year, disregarding any
 24 homestead exemption available only to disabled persons or persons
 25 65 years of age or older.

26 (k) Notwithstanding any other provision of this section,
 27 the board may substitute "eight percent" for "five percent" in

1 Subsection (a) and "1.08" for "1.05" in Subsection (d) or (e), as
2 applicable, and Subsection (j) if any part of the district is
3 located in an area declared a disaster area during the current tax
4 year by the governor or by the president of the United States.

5 (1) In this section, "improvement" has the meaning assigned
6 by Section 1.04, Tax Code.

7 SECTION 62. The following provisions are repealed:

8 (1) Sections 403.302(m-1) and (n), Government Code;

9 (2) Section 140.010, Local Government Code;

10 (3) Section 1063.255, Special District Local Laws
11 Code;

12 (4) Section 26.07, Tax Code;

13 (5) Section 41.44(b-1), Tax Code;

14 (6) Section 49.236, Water Code, as added by Chapter
15 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session,
16 2003; and

17 (7) Section 49.2361, Water Code.

18 SECTION 63. The changes in law made by this Act relating to
19 the ad valorem tax rate of a taxing unit apply beginning with the
20 2018 tax year.

21 SECTION 64. Sections 5.05, 5.102, 5.13, and 23.01, Tax
22 Code, as amended by this Act, apply only to the appraisal of
23 property for ad valorem tax purposes for a tax year beginning on or
24 after January 1, 2018.

25 SECTION 65. Section 6.41(d-9), Tax Code, as amended by this
26 Act, and Section 6.41(d-10), Tax Code, as added by this Act, apply
27 only to the appointment of appraisal review board members to terms

1 beginning on or after January 1, 2019.

2 SECTION 66. Section 6.42(d), Tax Code, as added by this Act,
3 applies only to a recommendation, determination, decision, or other
4 action by an appraisal review board or a panel of such a board on or
5 after January 1, 2018. A recommendation, determination, decision,
6 or other action by an appraisal review board or a panel of such a
7 board before January 1, 2018, is governed by the law as it existed
8 immediately before that date, and that law is continued in effect
9 for that purpose.

10 SECTION 67. Sections 11.4391(a), 21.09(b), and 22.23, Tax
11 Code, as amended by this Act, apply only to ad valorem taxes imposed
12 for a tax year beginning on or after January 1, 2018.

13 SECTION 68. Section 25.19(b-3), Tax Code, as added by this
14 Act, applies only to a notice of appraised value for a tax year
15 beginning on or after January 1, 2019. A notice of appraised value
16 for a tax year beginning before January 1, 2019, is governed by the
17 law in effect immediately before that date, and that law is
18 continued in effect for that purpose.

19 SECTION 69. Not later than October 1, 2017:

20 (1) the designated officer or employee of each taxing
21 unit shall submit to the county assessor-collector for each county
22 in which all or part of the territory of the taxing unit is located
23 the worksheets used by the designated officer or employee to
24 calculate the effective and rollback tax rates of the unit for the
25 2013-2017 tax years; and

26 (2) the county assessor-collector for each county
27 shall post the worksheets submitted to the county

1 assessor-collector under Subdivision (1) of this section on the
2 Internet website of the county.

3 SECTION 70. Section 41.03(a), Tax Code, as amended by this
4 Act, applies only to a challenge under Chapter 41, Tax Code, for
5 which a challenge petition is filed on or after January 1, 2018. A
6 challenge under Chapter 41, Tax Code, for which a challenge
7 petition was filed before January 1, 2018, is governed by the law in
8 effect on the date the challenge petition was filed, and the former
9 law is continued in effect for that purpose.

10 SECTION 71. Sections 41.45 and 41.66, Tax Code, as amended
11 by this Act, apply only to a protest filed under Chapter 41, Tax
12 Code, on or after January 1, 2019. A protest filed under that
13 chapter before January 1, 2019, is governed by the law in effect on
14 the date the protest was filed, and the former law is continued in
15 effect for that purpose.

16 SECTION 72. Section 41.71, Tax Code, as amended by this Act,
17 applies only to a hearing on a protest under Chapter 41, Tax Code,
18 that is scheduled on or after January 1, 2018. A hearing on a
19 protest under Chapter 41, Tax Code, that is scheduled before
20 January 1, 2018, is governed by the law in effect on the date the
21 hearing was scheduled, and that law is continued in effect for that
22 purpose.

23 SECTION 73. Sections 41A.01, 41A.03, and 41A.06, Tax Code,
24 as amended by this Act, apply only to a request for binding
25 arbitration under Chapter 41A, Tax Code, that is filed on or after
26 January 1, 2018. A request for binding arbitration under Chapter
27 41A, Tax Code, that is filed before January 1, 2018, is governed by

1 the law in effect on the date the request is filed, and the former
2 law is continued in effect for that purpose.

3 SECTION 74. (a) Except as provided by Subsections (b) and
4 (c) of this section, this Act takes effect January 1, 2018.

5 (b) Section 69 of this Act takes effect September 1, 2017.

6 (c) The following provisions take effect September 1, 2018:

7 (1) Sections 6.41(b) and (d-9), Tax Code, as amended
8 by this Act;

9 (2) Sections 6.41(b-1), (b-2), and (d-10), Tax Code,
10 as added by this Act;

11 (3) Section 6.414(d), Tax Code, as amended by this
12 Act;

13 (4) Section 6.425, Tax Code, as added by this Act;

14 (5) Section 25.19(b-3), Tax Code, as added by this
15 Act;

16 (6) Section 41.44(d), Tax Code, as amended by this
17 Act;

18 (7) Section 41.45(d), Tax Code, as amended by this
19 Act;

20 (8) Sections 41.45(d-1), (d-2), and (d-3), Tax Code,
21 as added by this Act;

22 (9) Section 41.66(k), Tax Code, as amended by this
23 Act; and

24 (10) Section 41.66(k-1), Tax Code, as added by this
25 Act.